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Japan's travails
Pessimism without post-war precedent
Yoshio Suzuki, Page 10

Recovery in France?
Almost everything depends on Germany
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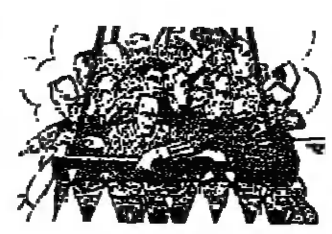

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FINANCIAL TIMES

Europe's Business Newspaper WEDNESDAY JANUARY 5 1994

Yeltsin decree as risks grow for Russian investors

Russian President Boris Yeltsin published a decree aiming to conclude a voucher privatisation programme by July, amid increasing fears over the adequacy of protection for small investors. In what one investment fund manager predicted would turn into a "series of loud scandals over the next six months", Russian citizens face growing risks on the country's weakly regulated financial markets. Page 12

Israeli-PLO stalemate: Israeli-Palestinian peace talks have slumped into a dangerous stalemate. The two sides are so far apart that they are only communicating intermittently by telephone and fax. Page 12

Metals group's plan: The new management at Metallgesellschaft, financially stricken metals and engineering conglomerate, is to outline its survival plans today to its creditor banks. Page 13

New evidence expected in VW case

Fresh evidence on events surrounding the controversial defection of General Motors executives to Volkswagen last March is expected to be aired in a Frankfurt court today. Lawyers for Adam Opel, the US group's German subsidiary, may support their case with hitherto confidential information about allegations of theft of documents and industrial espionage against Mr José Ignacio López de Arriortúa (above) and three of those who followed him to the German vehicle maker. Page 2

Help for Hosokawa: The political hand of Japanese prime minister Morihiro Hosokawa was strengthened by the formation of a small political party pledged to help his coalition. Five rebel members of the lower house created the new grouping. Page 3

Property bank rescue: Le Comptoir des Entrepreneurs, the French property bank, has reached agreement with its principal shareholders on a rescue plan which involves the sale of FFr9bn ($1.5bn) worth of credits and non-performing assets to a newly-created company. Page 13

Lithuania applies to Nato: Lithuania became the first former Soviet republic to apply to join Nato, accentuating the alliance's sensitive dilemma over whether and when to accept new members. Page 2

US buys more steel: American steel companies, buoyed by the economic recovery, have been importing large amounts of European steel to meet rising demand from the motor industry and other prospering sectors. Page 4

Britain expels envoy: Britain has given Sudan's ambassador 14 days to leave the country in retaliation for Khartoum's expulsion of the British ambassador in a row over a visit to southern Sudan by the Archbishop of Canterbury. Page 3

German output down: Western German industrial output fell by an unexpectedly sharp 2.1 per cent in the month to the end of November and was 4.5 per cent down on the same period a year earlier. Page 2

Storm hits commuters: A fierce winter storm stopped traffic, shut rail lines, affected flights and dumped heavy snow across the north-eastern US. New York commuters were hit by delays and flights were cancelled or delayed at Boston and Philadelphia. Weather guide, Page 12

Williams purchase: Williams Holdings boosted its presence in the US security market with the $80m purchase of locks manufacturer Corbin & Russwin. The deal will propel the group into the number two position for commercial locks in the US, after Ingersoll Rand. Page 13; Lex, Page 12

French car sales fall: French car sales fell by 18.3 per cent last year to 1.72m, the lowest annual figure since 1975, providing further evidence of the continuing depressed state of the French car market. Page 2

The UK stock market tables in this edition are the first to use the revised FT-SE Actuaries classification of industry sectors. A complete alphabetical guide to where companies fall in the new classification was published in yesterday's FT. Details, Pages 18; London shares, Pages 22, 23

■ STOCK MARKET INDICES		
FT-SE 100:	3,408.5	(-9.9)
Yield	3.45	
FT-SE Eurotrack 100	1,479.29	(45.93)
FT-A All-Share	1,679.71	(-0.1%)
Nikkei	17,369.74	(-47.50)
New York lunchtime:		
Dow Jones Ind Ave	3,770.39	(+13.79)
S&P Composite	466.39	(+0.95)
■ US LUNCHTIME RATES		
Federal Funds:	3 1/16%	
3-mo Treas Bills: Yld	3.127%	
Long Bond	98 3/8	
Yield	6.374%	
■ LONDON MONEY		
3-mo Interbank	5 7/16%	(same)
Liffe long gilt future	Mar 119 3/4	(Mar 120 11/32)
■ NORTH SEA OIL (Argus)		
Brent 15-day (Feb)	$13.57	(13.255)
■ Gold		
New York Comex (Feb)	$395.1	(391.9)
London	$394.25	(390.75)

■ STERLING		
New York lunchtime:		
$	1.48405	
London:		
$	1.4819	(1.4795)
DM	2.5782	(2.5692)
FFr	8.7549	(8.7357)
SFr	2.2021	(2.1971)
Y	167.679	(165.12)
£ Index	82.1	(81.3)
■ DOLLAR		
New York lunchtime:		
DM	1.738	
FFr	5.90575	
SFr	1.487	
Y	112.775	
London:		
DM	1.7398	(1.7365)
FFr	5.9081	(5.9045)
SFr	1.4861	(1.485)
Y	113.155	(111.605)
$ Index	67.8	(67.7)
Tokyo close Y 113.27		

Austria	Sch32	Greece	Dr350	Lux	LFr65	Qatar	QR13.00
Bahrain	Din1.250	Hong Kong	HK$18	Malta	Lm0.60	S.Arabia	SR11
Belgium	BFr65	Hungary	Ft185	Morocco	MDh15	Singapore	S$4.30
Bulgaria	Lw85.00	Iceland	IKr215	Neth	Fl 4.00	Slovak Rp	KSL60
Cyprus	CC1.10	India	Rs60	Nigeria	Naira50	South Africa	R12.00
Czech Rp	CZK50	Israel	Shk6.90	Norway	NKr17.00	Spain	Pta225
Denmark	DKr16	Italy	L3000	Oman	OR1.50	Sweden	SKr16
Egypt	E£5.00	Japan	Y500	Pakistan	Rs40	Switz	SFr3.30
Finland	FM14	Jordan	JD1.50	Philippines	Pes50	Syria	S£50.00
France	FFr9.00	Kuwait	Fils625	Poland	Zl 32,000	Tunisia	Din1.500
Germany	DM3.50	Lebanon	US$1.50	Portugal	Es225	Turkey	L10000
						UAE	Dh12.00

MCI plans $2bn assault on US local phone markets

By Martin Dickson in New York

MCI Communications, the innovative US long-distance telephone company, yesterday announced a $2bn initiative to compete with America's Baby Bell local phone companies.

It also unveiled an intensified programme of investment in its own information "super-highway", a network for transmitting huge amounts of data at high speed. The company said that it and various "associated partners" were expected to invest more than $20bn over the next six years to deliver new long-distance and local communications to business, homes and research institutions, under a new brand name: networkMCI.

MCI played the central role in forcing competition into the US long-distance telephone market in the 1970s and 1980s. Until recently Baby Bells have enjoyed virtual monopolies. Yesterday's announcement was the clearest indication so far of MCI's long-range strategy in America's information revolution, which is blurring the boundaries between the telecommunications, computer and television industries – as well as the regulatory and legal divisions between long-distance and local telephone companies.

Even so, the company left uncertain many important details of its plan – including the names of its potential partners and just how much they would contribute to the $20bn expenditure figure. Mr Bert Roberts, the chairman, noted that last summer's global alliance with British Telecommunications, which is investing $4.3bn in MCI in return for a 20 per cent stake in the company, had given MCI added flexibility in financing its capital spending programme. The most dramatic element of MCI's strategy is its plan to compete against the local telephone companies, as one of a number of so-called Competitive Access Providers (CAPs), which operate efficient fibre optic networks in big cities, creaming off particularly profitable business customers by offering cheaper rates for bulk traffic.

MCI already owns a subsidiary, acquired in 1990 from Western Union, which has telecommunications access to over 2,000 office buildings in US cities.

It is to give this business – renamed MCI Metro – a big boost by investing $2bn in fibre optic cable rings and modern traffic switching facilities, initially in 20 leading metropolitan areas. By sharply increasing its presence in the local market, MCI will reduce the huge "access fees" it must pay local telephone companies to carry long-distance traffic the last few miles to customers.

MCI also announced it had now deployed a key ingredient of modern communications networks – high-speed SONET transmission technology – in half its system, substantially more than its long distance rivals.

Lex, Page 12

Owen claims Croat army is already in Bosnia

By Anthony Robinson, East Europe Editor, in London

Lord Owen, the European Union's mediator in former Yugoslavia, accuses the Croatian government today of sending its army into Bosnia and argues that the world should respond to the deployment "with considerable strength of purpose".

Joining Croat and Bosnian government negotiators in Vienna yesterday to continue the search for a territorial compromise in Bosnia, Lord Owen accused the warring parties of ignoring the United Nations and turning a blind eye to ceasefire agreements.

In a British television interview to be broadcast tonight, he says a "very substantial" element of the Croatian army is already operating in Bosnia-Herzegovina.

He suggests that the international community should react to that no less strongly than it did to the Serbian military intervention in Bosnia in the spring of 1992.

Undeclared military help for the Bosnian Serbs from Serb forces helped the Bosnian Serbs to gain control of nearly 70 per cent of the ethnically complex republic after Bosnia-Herzegovina's declaration of independence. Such covert military and political intervention led to the imposition of UN sanctions against Serbia.

Thus far, however, the west has largely ignored a similar build-up by Croat forces over the last six months, Lord Owen argues. The programme concentrates on the role played by the Croatian government led by President Franjo Tudjman in helping Bosnian Croats carve out their own ethnic mini-state of Herceg-Bosna.

Covert intervention by both the Serb and Croat governments led to increased pressure from both sides on Bosnia's Slavic Moslem community. But the Bosnian Moslems' determination to fight for land and access to the outside world, and their ability to obtain and manufacture weapons despite the formal arms embargo, has extended the fighting into areas largely populated by Croats.

That has led to increased fighting between Moslem and Croat forces who in the early stages of the war in Bosnia often allied with the Moslems against Serbs as the common enemy.

The Vienna talks – between delegations headed by Mr Haris Siladzic, the Bosnian prime minister, and Mr Mate Granic, the Croat foreign minister – are another attempt to work out a territorial deal that which would leave the Moslems with access to the sea and avoid the mass expulsion of ethnic Croats from areas now threatened by Moslem forces.

The talks are being held for the first time under the auspices of a European Union now led by Greece. Athens is still smarting from the recognition of the former Yugoslav republic of Macedonia by other EU members, and is traditionally pro-Serb in outlook.

But Athens now "places top priority on solving the Bosnian conflict". Mr Theodoros Pangalos, the Greek foreign minister, said in a French press interview yesterday.

Associated Press

Bishop Istrinskyi Arseny (right) blesses the office of Russian prime minister Victor Chernomyrdin (centre) in the rebuilt White House

French car sales fall to 18-year low of 1.7m

By John Ridding in Paris

The depressed state of the French car market was demonstrated in statistics yesterday which showed that car sales fell by 18.3 per cent to 1.72m last year, the lowest annual figure since 1975.

The figures from the CCFA, the French carmakers' committee, showed a particularly sharp fall in December. Car sales last month totalled 152,000, a fall of 31 per cent compared with the same period in 1992.

Industry analysts in Paris said December's decline was exaggerated by artificially high sales at the end of 1992, the result of a rush by consumers to beat the expiry of tax incentives for low-pollution models. Excluding such factors, the decline in the month's sales was estimated at about 16 per cent.

But the figures for December demonstrated the continued weakness of the car market. "The impact of recession and depressed demand is very clear," one industry analyst said. "Cars, more than other consumer products, continue to suffer from a lack of economic confidence."

French manufacturers had, however, some cause for comfort. The combined sales of the French car companies represented 60.3 per cent of the market, an increase of 0.5 per cent compared with 1992.

Renault, the state-owned group, limited its fall in sales to 15.1 per cent, partly reflecting the successful introduction of models such as the small Twingo. Citroën sales fell by 16 per cent. Peugeot, however, its partner in the PSA Peugeot-Citroën group, suffered a fall of 22.6 per cent.

Most industry executives expect some recovery in the market this year, although they emphasise the slow pace of revival and the continued high level of competition. Mr Jacques Calvet, chairman of PSA Peugeot-Citroën, forecast total car sales in France would rise to about 1.85m units in 1994.

Poised for a pick-up, Page 10

Asian shares maintain pace

By Michael Morgan and Philip Coggan in London

Asian stock markets kept up their record-setting pace yesterday as Japanese fund managers, on holiday on Monday, returned to compete with their US counterparts in fuelling the advance.

Records were set in nine centres. Bangkok, closed on Monday, led with a 4.2 per cent rise as it caught up with the rest of the region in near-record turnover.

Hong Kong's Hang Seng index rose more than 500 points at one stage before profit-taking trimmed the advance, leaving the index 114.60 higher at 12,201.09.

Highs were also seen in Singapore, Manila, Australia, Jakarta, Kuala Lumpur, Bombay and Karachi, which scored its largest ever one-day rise. Tokyo, however, made an uncertain start to its trading year, and investors are expected to remain wary until the government passes its political reform bill and announces details of a new fiscal package at the end of this month. The Nikkei average fell 47.50 to 17,369.74.

In Europe, Nordic markets surged with Helsinki adding 4.1 per cent to a record high as falling interest rates persuaded investors to switch from bonds to stocks.

Norway jumped 2.1 per cent to a new peak, and records were also set on the Stockholm and Copenhagen stock markets.

In London the money supply figures, measured by M0, the most narrow definition of the money supply, rose by a seasonally adjusted 5.8 per cent in the year to December.

The news did little to help sentiment in the UK government bond market, where long gilt prices fell by 1¼ points. Analysts felt the apparent buoyancy of the consumer sector may have damped hopes of an early cut in UK interest rates.

The FT-SE 100 share index, down 38 points at one stage, rallied in the afternoon to close 9.9 points lower at 3,408.5.

Market reports, Section II

Bank of America settles UK claim

By Norma Cohen in London

Bank of America yesterday became the first financial institution to settle claims stemming from the diversion of more than £440m ($651m) from pension schemes controlled by the late Robert Maxwell, raising expectations that others will follow.

The San Francisco-based bank said it had agreed to pay £25m, while not admitting any liability, into the Mirror Group Pension Scheme to settle claims stemming from its role as a custodian of pension scheme assets.

"This has thrown the situation into a new realm where it may be possible to talk about a settlement", said an official at one investment bank alleged to have helped divert pension scheme assets.

After receiving a writ in June 1992, Bank of America had approached the pension fund trustees about six months ago directly to discuss a settlement.

The writ alleged that Bank of America, which simply acted as a safekeeper for a portfolio of securities, passed them to Credit Suisse on the instructions of individuals who were not authorised to give such instructions.

The securities were later used as collateral for a loan to Mr Robert Maxwell's private interests, the writ alleged.

Mr Tom Brooks, Bank of America's assistant general counsel, said: "We view this settlement as an appropriate means of contributing to the restoration of the pension funds without the delay and uncertainty to pensioners and the bank of lengthy court proceedings, and of putting this claim by the trustees behind us."

The Mirror Group Pension Trustees had sought £38m from Bank of America and Credit Suisse jointly in a writ filed in June 1992. That case is scheduled to come to court in October and the

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LONDON · PARIS · FRANKFURT · NEW YORK · TOKYO

W German production drops sharply

By Christopher Parkes in Frankfurt

West German industrial output fell by an unexpectedly sharp 2.1 per cent in November, and was 4.5 per cent down on the same period a year earlier, the Economics Ministry reported yesterday.

The ministry put part of the blame on bad weather and snow. However, the figures have raised doubts about the economy's recovery.

Nonetheless, economists said that while the weather-induced downturn could not be discounted, rising orders and confidence in many industrial sectors still suggested that the recession had bottomed out.

Construction work dropped 6.5 per cent, while gas and electricity production rose about 1 per cent.

A two-month comparison, favoured by the ministry because it reduces the impact of short-term influences, showed total production in October and November down 1.5 per cent on August and September, and 4.5 per cent lower than in the comparable period in 1992. Within the overall two-month figure, capital goods output was down 3 per cent on the previous two months and 9 per cent lower than a year earlier.

Raw materials production was unchanged compared with August and September and was up 1 per cent on October and November 1992.

Demand for housing is particularly strong, and with falling interest rates expected to continue bolstering order books, construction output is forecast to rebound after the winter.

However, prospects for domestic demand in other sectors remain dim, especially among automotive and investment goods manufacturers. Their expectations have been reduced by falling real incomes and under-use of existing plant capacity, although rising productivity and competitiveness – thanks to payroll cuts – have raised hopes of a better export performance this year.

● A further sharp increase in German corporate insolvencies will take the total to 19,000 this year compared with 15,000 collapses in 1993, according to the Burgel credit inquiry agency.

Opel airs more VW evidence

By Christopher Parkes

Fresh evidence on the events surrounding the controversial defection of General Motors executives to Volkswagen last March is expected to be aired in a Frankfurt court today.

The civil hearing represents a renewed attempt by Adam Opel, the US group's German subsidiary, to have seven former GM employees suspended from their present jobs at VW on the grounds that Volkswagen used anti-competitive methods to lure them away.

Opel lawyers are likely to try to support their case with hitherto confidential information in the files of criminal prosecutors investigating allegations of theft of documents and industrial espionage against Mr José Ignacio López de Arriortúa, and three of those who followed him to VW.

Two previous attempts to have the men suspended failed in summary hearings at which no evidence was heard in public. One bid to win a temporary injunction early last year was rejected on the grounds that Mr López's "charisma" had drawn his seven colleagues in his wake. An appeal against that ruling failed on a technicality last month.

Mr Horst Borghs, an Opel board member, said at the time he expected a different result after today's hearing.

Although the criminal investigation and today's civil case are formally separate issues, both revolve around GM's fundamental claims of concerted attempts to undermine its German business.

Opel also appears intent on pursuing all legal avenues partly to keep the issues in the public eye until the completion of criminal investigations, started in Germany last May and in the US during July.

The German probe is bogged down by a meticulous investigation of computerised data seized last summer in a raid on VW headquarters and the homes of Mr López and his colleagues.

Opel won the first significant round in the protracted controversy last April when a court barred VW from any further attempts "systematically" to poach GM staff. Opel had sought the temporary injunction on the grounds that approaches to some 40 staff constituted an attempt to damage its business.

In that case Opel presented affidavits from around 20 senior employees, mainly in key component purchasing and production departments, who said they had been approached by Mr López and others. Some were allegedly offered double their salaries to change sides.

Ciampi continues consultations ahead of no-confidence debate

Italian PM seeks negotiated future

By Haig Simonian in Milan

Italy's prime minister, Mr Carlo Azeglio Ciampi, today holds a second round of talks with political leaders which may determine the fate of his eight-month-old government.

The discussions come before a vote of no-confidence next week which has divided members of the four parties supporting the government.

Today's talks follow inconclusive discussions yesterday with leaders of the majority Christian Democrats and opposition parties to sound out parliamentary opinion.

Prices on the Milan stock market fell by 1.74 per cent yesterday as a result of the political uncertainty, although the lira gained ground.

Next week's no-confidence vote should be the last hurdle before President Oscar Luigi Scalfaro calls new elections to replace the present parliament, which has been largely discredited by the long-running political corruption scandal.

Although an announcement on new polls had been expected in the president's end-of-year address to the nation, a decision was postponed after the no-confidence vote was tabled last month. According to political leaders, an election announcement prior to the debate would have been premature.

The holiday period and the prime minister's international commitments mean the debate will not start until January 12, and could last some time. In the meantime, speculation has been mounting over Mr Ciampi's intentions, amid suggestions he could resign during or immediately after the parliamentary discussions.

Matters are complicated by the sharp divisions in parliament regarding the timing of new elections. Parties expecting to perform strongly, such as the Democratic Party of the Left (PDS), the Northern League and the neo-fascist MSI, have been pressing for an early decision on new polls as the existing legislature was no longer representative of public opinion.

Mr Achille Ochetto, the PDS leader, said yesterday: "The government's political period is over, in that this parliament is over. In our opinion any moment after January 12 is good for the president to dissolve parliament." By contrast, many members of the four-party coalition notionally supporting Mr Ciampi would like to postpone the election as long as possible. Some Christian Democrats have even suggested it should be put back from mid-March, as widely expected, to June, when it could coincide with European parliamentary elections.

A third camp, largely behind the no-confidence vote, would like to see Mr Ciampi remain as prime minister, but preferably with broader parliamentary support. A new lease of life for Mr Ciampi, who has been placed in an awkward position by the manoeuvrings, could postpone the polls long enough to give the divided centre more time to regroup and fend off challenges from the PDS and the League.

Lithuania applies to join ranks of Nato

By David White and agencies

Lithuania yesterday became the first former Soviet republic to apply to join Nato, accentuating the alliance's sensitive dilemma over whether and when to accept new members.

President Algirdas Brazauskas said in a televised address that he had written to the Nato secretary-general, Mr Manfred Wörner, formally presenting Lithuania's membership application.

Mr Brazauskas's statement comes at an embarrassing time for Nato, just ahead of the organisation's summit in Brussels next week.

Allied leaders are looking for a way to provide former Warsaw Pact countries which have already applied for membership – such as Poland and the Czech Republic – with a clear prospect of one day joining Nato without antagonising Russia, or providing fuel to extreme nationalist opponents of President Boris Yeltsin.

Estonia and Latvia are also regarded as potential long-term candidates for Nato membership. Although Russian troops were withdrawn from Lithuania last September, they remain in the two other Baltic states.

Russian oil output set to fall

By Leyla Boulton in Moscow

Oil output is expected to continue falling this year in Russia but more slowly than last year, while debts between state-owned enterprises will remain a problem for years, according to the economics ministry's forecast for the year ahead.

It expects gross domestic product to fall just 5 per cent this year compared with 12 per cent in 1993, and industrial production to decline by 6 per cent compared to 16 per cent last year.

Goods traffic is forecast to decline by only 6 per cent against 29 per cent last year. Oil and gas condensate production, an important source of hard currency for the country, would total 327m tonnes compared to 354m tonnes last year.

The ministry is also predicting an increase in unemployment from its present level of around 1 per cent to 5 per cent of the population next year.

The forecast, assuming roughly similar policies to those pursued last year, with a few improvements such as an end to free loans to other former Soviet republics, clings to the government's goal of driving inflation down to 5 per cent a month by the end of 1994. This compares to 15 per cent last month.

The ministry expects the budget deficit will not exceed 6 per cent of gross domestic product next year – close to the 5 per cent target which the government has set itself ever since the launch of radical reforms in January 1992.

However, the report, which does not explore the implications of the successes of ultra-nationalists and Communists in last month's parliamentary elections, also points out that achievement of the government's goals depends on its improved performance – including the more effective use of state funds for investment in industry, and improved tax collection.

Associated Press

Senior Russian journalists held a press conference in Moscow yesterday at which they threatened to keep newspapers off the streets for a week starting with the opening of the new parliament next Tuesday. Their action is in protest at a decision by state-owned printers to increase prices sixfold. The printers blame a government re-evaluation of their assets and increased depreciation charges.

OBITUARY: PIERRE-PAUL SCHWEITZER

Frenchman who helped transform IMF

Mr Pierre-Paul Schweitzer, managing director of the International Monetary Fund from 1963 to 1973 and the first of three Frenchmen to put their distinctive stamp on the institution, has died at the age of 81.

In a statement yesterday, Mr Michel Camdessus, the current managing director, paid tribute to Mr Schweitzer's "leadership and foresight and his spirit of innovation at a time when the international monetary system and the IMF itself had to undergo profound transformations".

The most obvious legacy of Mr Schweitzer's term was the creation of IMF special drawing rights (SDRs), designed as an international reserve asset to meet the exigencies of the growing instability of the US dollar in the late 1960s.

In the event, concern about the US deficit did not abate and the Nixon administration was first, in August 1971, forced to close the official gold window and impose an import surcharge and domestic wage and price controls. In December, the Smithsonian agreement heralded the beginning of the end of the fixed exchange rate system by realigning currencies and increasing the official price of gold to $38 an ounce.

Mr Schweitzer, deeply involved in all these negotiations, also presided over a great expansion of the IMF's membership and, therefore, of its influence over national economic policies through the conditions it imposed for making available financial assistance.

Mr Schweitzer was born in Strasbourg to a distinguished family; his uncle, Albert Schweitzer, was a Nobel Peace Prize winner. He joined the French inspectorate of finance before the war, fought in the Resistance and was interned at the Buchenwald concentration camp. Before moving to the IMF, he served as director of the French treasury and as deputy governor of the Bank of France.

After his IMF tenure, he served as chairman of Petrofigaz, the state energy concern, and on several company boards, among them Unilever and Robeco. His son, Mr Louis Schweitzer, is currently president of Renault.

Jurek Martin

NEWS IN BRIEF

FDP to hold out on use of bugging

Germany's governing coalition faces further strain following rejection by the Free Democrats (FDP), the junior partner, of proposed legislation to widen the use of electronic bugging devices in the fight against crime, writes Judy Dempsey in Berlin.

Such a measure would require an amendment to Germany's constitution. The FDP has argued against increased electronic monitoring on the grounds that it would be an infringement of individual rights. But the Christian Democrats believe the measures are needed to act as a deterrent against growing crime.

The proposal, put forward by Mr Manfred Kanther, the interior minister, was intended to present Chancellor Helmut Kohl's Christian Democratic Union and its Bavarian sister party, the Christian Social Union, as champions of law and order ahead of this year's local, state and federal elections.

Internal security, the fight against crime, and unemployment are the main themes on which the parties will campaign. The opposition Social Democratic party has indicated that it will support the bugging proposals.

However, Mr Klaus Kinkel, foreign minister and chairman of the FDP, and Ms Sabine Leutheusser-Schnarrenberger, justice minister and his party colleague, have refused to have anything to do with the bugging proposal. The FDP has argued consistently that any change in the law must be coupled with tackling the reasons behind crime.

Danes win big shipping order

Danyard, the shipyard owned by the Lauritzen shipping group, has signed contracts to build seven double-bottomed and doubled-hulled chemical carriers of 37,000dwt each for the American-Norwegian Stolt Nielsen Group, writes Hilary Barnes in Copenhagen.

The contract carries an option for Stolt Nielsen to order a further three vessels, which have a value of between $65m (£44m) and $70m each. Danyard claimed that this is the biggest single order ever received by a Danish industrial company. The first vessel is for delivery in 1995 and six more in 1996-97, with the three additional vessels delivered in 1998 if the option is exercised.

The order will provide Danyard, in the North Jutland town of Frederikshavn, with 2,800 full-time jobs a year between now and 1998.

The ships will be built to a new design, with tanks built in stainless steel. Automatic steering and navigation equipment and unmanned machine and control rooms will reduce crews to a minimum.

Number may be up for French

France is considering adding two digits to all telephone numbers, lengthening them to 10 digits, to keep ahead of an unexpected surge in demand for new phone lines, the Industry Ministry said yesterday, Reuter reports from Paris.

The move, tentatively planned for the end of 1995, would prevent France from running out of phone numbers one decade after it added an eighth digit to all lines.

Between 1965 and 1993, the number of lines surged to 31m from 23m as fax machines and mobile phones took hold. Under the plan, the first digit would be 0, with the second being a new area code.

In search of lasting cure for ailing health systems

John Willman and Alan Pike review the problems and reforms in care regimes across the world's wealthier countries

Across the advanced capitalist economies, governments are struggling to control the rising costs of healthcare. Average health expenditure in the member countries of the Organisation for Economic Co-operation and Development has risen from 3.9 per cent of gross domestic product in 1960 to 7.8 per cent in 1990.

The main drivers of medical cost inflation over this period have been three-fold, according to the OECD:

● The extension of healthcare to whole populations with the provision of universal coverage.

● The increasing generosity of healthcare systems, which expanded to include dental benefits, recuperative treatment and new medical techniques such as grafting and transplants.

● Rising costs, such as the salaries of doctors and nurses.

There are, of course, considerable variations between the experience of different countries. Growth in healthcare costs have been much higher than average over this period in the US, and lower than average in the UK.

But overall, there is a close relationship between a country's health expenditure per capita and overall income per capita. Healthcare is a merit good, in economists' terms: as people become wealthier, they wish to spend more on health.

The good news for policymakers is that there is growing evidence that the growth in healthcare costs can be contained. Reforms in several European countries appear to have been successful in improving the quality of healthcare while controlling costs.

More interesting, the means adopted to achieve this have been very similar, despite considerable differences between the health systems in these countries. The key to containing healthcare costs appears to lie in what health economists describe as "managed competition".

> Healthcare is a 'merit good': as people become wealthier, they wish to spend more on health

This aims to introduce market-type incentives to raise efficiency, through greater competition among hospitals, doctors and other health organisations. At the same time, health remains largely publicly funded, allowing the government to regulate competition to ensure equity among all citizens.

Typical features of managed competition include:

● Separating the financing of healthcare from delivery – the "purchaser/provider split" at the centre of the UK health reforms.

● Strengthening the role of family doctors in controlling access to treatment in hospitals and in providing more treatment without involving hospitals – an important tool in rationing healthcare in President Bill Clinton's plans for US healthcare reform.

● Contracts for the provision of healthcare rather than paying fees for each service, which leads to "over-treatment" – Germany and France have both moved towards this.

Many countries are looking to provide greater incentives for efficiency in their health services, especially where treatment is currently free at the point of use. Payments by patients, for example, are on the agenda in countries such as the US to encourage them to behave more like consumers in balancing demand against cost.

In the Netherlands, the current reform plans will offer citizens a choice of insurance funds, all offering a basic healthcare package but charging different premiums according to the quality of service and additional benefits.

Even if the delivery of healthcare becomes more efficient, however, upward pressure on costs will remain a daunting challenge. Medical technology is expensive, but a more basic explanation for rising health costs is demographic change. The proportion of elderly people in the populations of advanced industrial nations is increasing, and the old have insatiably greater healthcare requirements than the young and middle-aged.

It is not a picture of unrelieved gloom – elderly people in advanced countries are becoming fitter – but the demands of an ageing population will nonetheless present healthcare systems with severe spending pressures until well into the next century.

Apart from trying to improve the efficiency of healthcare systems, governments are responding to rising costs and demand in two ways. One is by encouraging healthier lifestyles on the lines of the World Health Organisation's Health for All strategy and the UK's Health of the Nation campaign.

If people can be encouraged to reduce health risks by stopping smoking, adopting healthier diets and taking exercise, the potential financial savings for healthcare systems will be considerable.

The more controversial of the two responses is the introduction of rationing for treatment. Healthcare has always been rationed – by waiting list, lack of access to medical insurance, doctors' decisions in individual cases, and other ways – but the financial pressures of recent years have led to the issue being approached more explicitly.

Health authorities in parts of the world have involved the public in rationing decisions, most notably in Oregon state in the US, which has developed proposals to withdraw funding for some medical procedures under its Medicaid programme for those on modest incomes.

An 11-member commission ranked treatments in priority order according to doctors' opinions of their medical value and public opinion surveys. This produced a list of 688 procedures of which, the state decided, it could afford to fund only the top-ranked 568. Some expensive operations including liver transplants were excluded, alongside cosmetic treatments and fertility and obesity counselling.

Introduction of the plan was vetoed by the Bush administration after complaints that it infringed the rights of disabled people, but the Clinton government approved an amended version last year. Authorities in Oregon hope to introduce the scheme – which would bring poor people within the cover of Medicaid – this year although it still faces the possibility of legal challenge.

Most governments are unenthusiastic about having such a clear set of excluded treatments, but the purchaser-provider splits introduced by organisational reforms in the UK, New Zealand and elsewhere are pushing policy in this direction. Health authorities must now make explicit decisions about spending priorities, and some have begun testing public opinion through surveys and meetings.

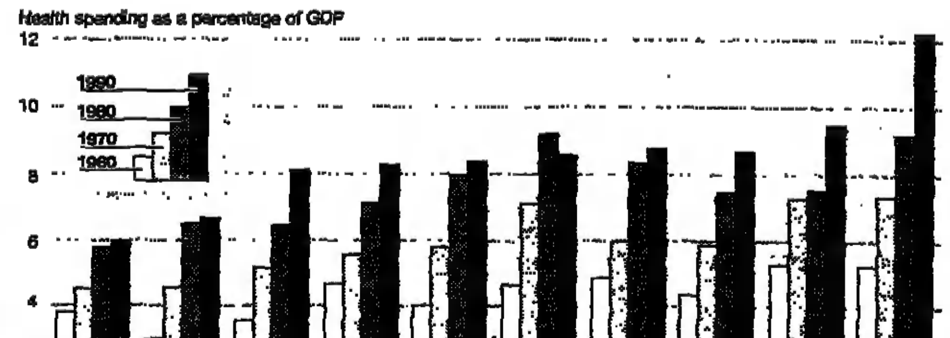
Doctors have questioned the value of treating, for example, lung cancer victims who refuse to give up smoking, or performing expensive operations on the very elderly. Many governments have commissioned analyses relating the cost of treatment to improvements in the quality of life.

The decisions are moral as well as financial, and many people would prefer that they did not have to be made. But they are being made, and involving the public in them is likely to prove an important element in the development of democracy.

This is the 11th article on welfare states around the world. Previous articles appeared on October 25, November 3, 8, 17, 19, 24, 30, December 10, 15 and 31.

The cost of care

Health spending as a percentage of GDP



Source: OECD

THE FINANCIAL TIMES
Published by The Financial Times (Europe) GmbH, Nibelungenplatz 3, 60318 Frankfurt am Main, Germany. Telephone ++49 69 156 850, Fax ++49 69 5964481, Telex 416193. Represented by Edward Hugo, Managing Director. Printer: DVM Druck-Vertrieb und Marketing GmbH, Admiral-Rosendahl-Strasse 3a, 63263 Neu-Isenburg (owned by Hürriyet International). Responsible Editor: Richard Lambert, c/o The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL, UK. Shareholders of the Financial Times (Europe) GmbH are: The Financial Times (Europe) Ltd, London and F.T. (Germany Advertising) Ltd, London. Shareholder of the above mentioned two companies is: The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL. The Company is incorporated under the laws of England and Wales. Chairman: D.C.M. Bell.

FRANCE
Publishing Director: J. Rolley, 168 Rue de Rivoli, F-75044 Paris Cedex 01. Telephone (01) 4297-0621, Fax (01) 4297-0629. Printer: S.A. Nord Eclair, 15/21 Rue de Caire, F-59100 Roubaix Cedex 1. Editor: Richard Lambert. ISSN: ISSN 1148-2753. Commission Paritaire No 67808D.

DENMARK
Financial Times (Scandinavia) Ltd, Vimmelskaftet 42A, DK-1161 CopenhagenK. Telephone 33 13 44 41, Fax 33 93 53 35.

Reform test for Nigeria

By Paul Adams

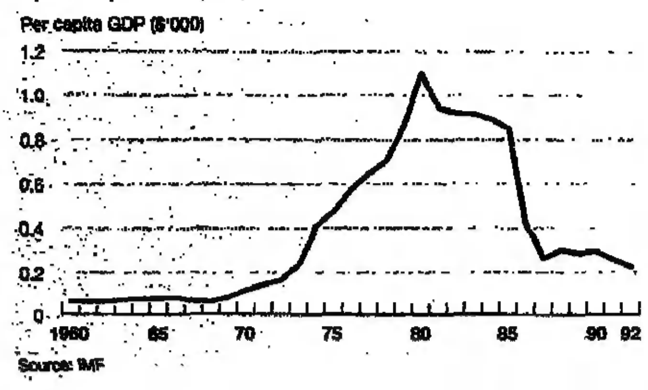
The first budget speech of Nigeria's new head of state General Sani Abacha, delayed since New Year's Day and now expected on Sunday, may be his only chance to convince observers at home and abroad that he is serious about economic reform.

During a decade of economic mismanagement by military rulers, Nigeria has slid into the world's poorest category despite a head start in development and great natural wealth.

Nigerian budgets have been more notable for good intentions than accurate forecasting. In a candid budget speech a year ago, Mr Ernest Shonekan, the last prime minister under General Ibrahim Babangida's regime, said: "The lack of fiscal discipline is the bane of our economy." He looked forward to eight months of spending restraint in preparation for the handover to elected civilian rule in August.

If Mr Shonekan's interim national government had lasted until now, he could have made the same speech, pointing to even worse figures. Both the promised fiscal controls and the democratic handover were quickly discarded as Gen Babangida increased extra-budgetary spending to try to buy an extended term of office.

Mr Pius Okigbo, a former economic adviser to the government, reflected the mood of many in Lagos when he complained last month that Nigeria's per capita income was now lower on some estimates than in 1965, before



Nigeria had any oil revenue.

Inflation is near 100 per cent and the year-end budget deficit is estimated at N75.3bn $3.7bn), two and a half times the forecast deficit, two-thirds of budgeted revenue and 15 per cent of the country's gross domestic product. Gen Abacha's government, Nigeria's fourth in just more than a year, is in its second month but lacks an economic policy.

The extension of military rule has brought condemnation and a ban on fresh aid from western donors.

And unless Nigeria makes progress in reducing its citizens' role in drugs trafficking, the US could vote against International Monetary Fund and World Bank funding after next April.

The military takeover has delayed talks with the IMF until after the budget, probably mid-month, which could have been the key to long-awaited relief for its $33bn external debt.

After two years of default, Nigeria's arrears to its main creditor, the Paris Club of official creditors, stand at $6bn and the payments crisis is threatening the country's only big source of revenue, oil exports.

Bad debts at the state-owned Nigerian National Petroleum Corporation are mortgaging the country's falling revenue. The arrears have passed the $500m limit beyond which its joint venture international partners are entitled to recover the funds in allocations of crude oil and to scale back the rate of production in line with non-payment.

The NNPC's failure to maintain its refineries has forced up fuel imports and the company has used nearly $2bn of petroleum revenue to cover its losses from selling domestic fuel at heavily subsidised prices.

Nor can the government afford to bail out the NNPC. Every day that the oil price stands at $14 a barrel, Nigeria earns $6.3m less than it had budgeted and the 1993 total oil revenue will fall about $800m short of the forecast $6.3bn.

Despite the depressed oil market, Nigeria has the resources to turn its economy around.

The new finance minister Mr Kalu I. Kalu favours a package of reforms which would be the basis for a medium-term programme to be agreed by the IMF leading to debt relief and fresh funds.

The plan would involve a "realistic rate" for the naira through a devaluation of the official rate, low inflation, and balanced budgets through cuts in spending, fuel price increases and tax reform.

Cuts in bureaucracy and corruption, especially in customs and foreign exchange procedures, would be aimed at increasing growth and inward investment.

The plan also would involve reduction of the NNPC's expenditure on joint ventures, possibly through a cut in the government stake, privatisation of all the big parastatal companies, and withdrawal from all industrial projects that could be run by the private sector or cancelled.

Private sector advisers warn that if Mr Kalu does not win the argument over policy in the cabinet, there may be a return to the system of import licences and foreign exchange allocations which would make Gen Babangida's regime seem like a heyday for market reforms.

Mr Shimon Peres, Israeli foreign minister (right), gestures yesterday to Mr Douglas Hurd, UK foreign secretary, who is on a fact-finding visit to the Middle East, writes Julian Ozanne in Jerusalem. Meanwhile Mr Yitzhak Rabin, Israel's prime minister, said he doubted whether Mr Yassir Arafat, PLO chairman, was committed to the fundamental principles of the Israeli-Palestinian peace accord. However, Mr Rabin also told Mr Hurd that he expected progress in peace talks with Syria after this month's summit between President Bill Clinton and President Hafez al-Assad of Syria. Picture: Reuter

Zambian minister quits for drug probe

Zambia's foreign minister, Mr Vernon Mwaanga, resigned yesterday, saying he wanted to give the government time to investigate allegations of drug dealing by cabinet members, Reuter reports from Lusaka.

Mr Mwaanga, 49, denied he was involved in drug trafficking or corruption scandals swirling around President Frederick Chiluba's beleaguered government.

But he told a news conference: "I want to inform the nation of my decision to stand down as minister of foreign affairs with immediate effect." Mr Mwaanga said he wanted to give the government time to investigate allegations of corruption, drug trafficking, misuse of public funds and abuse of office by civil servants. He denied any involvement in trafficking.

His successor has yet to be announced.

Zambia's leading western donors demanded an end to alleged high-level drug trafficking and corruption as a pre-condition for financial aid at a consultative meeting in Paris last month.

The country already has a balance-of-payments financing gap of $96m for 1994, which donors said they would not cover until the government rid itself of "corrupt individuals".

Three "clean" government ministers claimed last week that four of their colleagues, whom they did not name, were involved in drug dealing. Most of the deals were said to involve shipping highly addictive Mandrax sedatives from India, where they are made, to South Africa.

Mr Mwaanga called on other officials under suspicion to step down. He did not name them. A western diplomat described Mr Mwaanga's resignation as "a welcome first step" but said it was not enough.

Mr Mwanga is a founder member of the ruling Movement for Multi-party Democracy. He entered politics in 1960 and served as a diplomat of the former United National Independence party government of Kenneth Kuanda and in various cabinet positions including finance and foreign affairs.

NEWS IN BRIEF

UK orders Sudan ambassador out

Britain yesterday ordered Sudan's ambassador to leave the country within 14 days in retaliation for Khartoum's decision last week to expel the British ambassador, Reuter reports.

Britain had given Sudan until yesterday to reverse its decision to expel the British ambassador, a move triggered by a visit by

Yassin: expelled "with regret and disappointment" Universal

the Archbishop of Canterbury to mainly Christian areas in rebel-controlled southern Sudan. Mr Mark Lennox-Boyd, junior foreign office minister, summoned Sudanese chargé d'affaires Abdurrahman Bakhit and told him Britain was expelling the ambassador, Sayed Ali Mohammed Osman Yassin, with regret and disappointment, the Foreign Office said.

The expulsion was a consequence of the Sudanese government's unsatisfactory explanation for its action in expelling Mr Peter Streams, the British ambassador. "In the circumstances, we decided to request the withdrawal of the Sudanese ambassador."

Kabul battles rage for fourth day

Infantry battles raged for a fourth day in Kabul yesterday, killing dozens of people and injuring more than 1,700, in a power struggle between Afghan President Burhanuddin Rabbani and an ex-communist general, Reuter reports from Kabul.

Government jets bombed fighters loyal to the warlord Gen Abdul Rashid Dostum; Mr Rabbani's infantry made advances, pushing back the front line in the south of the city. Fighting spread in the north around Gen Dostum's base of Mazar-i-Sharif, capital of Balkh province, in the battle for supremacy between the president and Gen Dostum, backed by Mr Rabbani's arch-enemy, Prime Minister Gulbuddin Hekmatyar.

The Iranian embassy offered to negotiate a peace settlement, and a mission of leaders of moderate factions in the Islamic coalition government was trying to end the battles, the worst in Kabul for many months.

Britain to send warship on South African visit

A British warship is being sent to South Africa this month for the first time in 27 years, symbolising the revival of official military contacts between the two countries, David White, Defence Correspondent, writes.

One of the Royal Navy's latest frigates, HMS Norfolk, is due to visit Cape Town and Simonstown from January 27.

UK officials said the visit was not directly linked to military sales, although Britain has begun sounding out opportunities and South Africa is known to be interested in acquiring offshore vessels.

Chinese, Russian cities in economic and trade link-up

A Chinese city and a Russian one have agreed to build a cross-border free economic and trade zone, Reuter reports from Beijing.

In the first such venture between the two countries, Heihe in China's northeastern province of Heilongjiang and its neighbour Blagoveshchensk in the Russian Far East will set up the zone from either end of a pontoon bridge to be built soon over the river separating them.

The zone, 10 sq km of land from each country, is expected to become a transit centre for goods and passengers and an export-oriented processing area, according to the Xinhua news agency.

The zone will be administered by a joint management commission from both sides, it said.

New Japanese party to support reform

By William Dawkins in Tokyo

The political hand of Mr Morihiro Hosokawa, the Japanese prime minister, was strengthened yesterday by the formation of a small political party pledged to help his coalition.

Five rebel members of the lower house of parliament, most of whom left the opposition Liberal Democratic party last month, yesterday formally founded a party, Kaikaku-no-kai, or Reform Group.

It aims to support the coalition's attempts to reform the discredited political and electoral system. Yet the new group offers little immediate advantage to Mr Hosokawa, as political reform plans are currently blocked by LDP delaying tactics in the upper house, where the new group has no members.

This does, however, nearly double the coalition's slender majority in the lower house to 10 to 11 seats.

The new group nearly doubles the coalition's slender majority in the lower house

It can now count on the support of 266 out of 511 lower-house members. The coalition has a five-to-six seat majority in the upper house, with 131 of the 251 seats there.

Mr Takeo Nishioka, a former education minister who heads the Reform Group, said it would co-operate with, but not join, the coalition and would seek support from LDP upper house members. The four reform bills passed the lower house in November and need to get through the upper assembly before the extended session ends on January 29.

This is the latest small stage in the break-up of traditional political groupings, which began with last June's collapse of the former LDP government, after a rebellion by members disillusioned over LDP failure to achieve political reform. The general trend of this seemingly chaotic fragmentation is towards two groups of parties, Japanese political commentators believe.

There are liberals, similar to US Democrats, grouped around Mr Ichiro Ozawa, the coalition's behind-the-scenes power-broker and former LDP heavyweight; and centre-right groups, similar to US Republicans, aligned around Mr Hosokawa's Japan New party and the moderate stream of the Social Democratic party, the seven-party coalition's largest partner.

This follows the formation last month of a study group by 40 Social Democratic party parliamentarians, accounting for about a third of the upper- and lower-house seats held by the coalition's largest member.

The study group, called the Democrats, aims to distinguish itself from the left wing, and is seen as the precursor of a new party. It is now courting as a possible leader Mr Takahiro Yokomichi, governor of Hokkaido and a former Social Democrat member of parliament.

Pakistan central bank directors in curbs protest

By Farhan Bokhari in Islamabad

Three directors of Pakistan's central bank have submitted their resignations over new legislation which partly reduces the bank's recently-established independence from the government.

Mr Moeen Qureshi, the former caretaker prime minister who made the bank independent last year, said last night the latest move could create problems for Pakistan in its negotiations with the International Monetary Fund and World Bank.

"I am concerned over their loss of credibility if they take such an important step," Mr Qureshi, a former World Bank official, told the Financial Times from Washington. Pakistan is negotiating with the IMF and World Bank for up to $1.5bn in aid over the next three years.

A new presidential decree seeks to curtail the powers of the central bank governor in setting monetary policy. The governor is required to consult the federal government and the four provincial governments on the limit of credit extended to them, while the earlier law introduced by Mr Qureshi allowed him independently to establish the limits. The governor's term of office has been reduced to three years from five.

A provision allowing the government to appoint a new governor within 180 days from commencement of the new law has generated speculation that Mr Mohammad Yaqub, the present governor, known as a financial disciplinarian, may be replaced.

One of the seven members of the bank's central board has resigned in protest at the presidential decree and two more have submitted resignations which have not yet been formally accepted.

Mr Qureshi's steps to make the central bank autonomous had been praised by western economists. He said yesterday: "In my view, the ordinance I had issued was one of the cornerstones [of policy] to ensure financial discipline. It is important to give the bank the feeling that if they take a stand on principles, the governor will not be fired."

The government defended the move as a step requiring the bank to set policy in consultation with the government, rather than interference in its functions.

Dispute over Kashmir drags on

Farhan Bokhari charts the impasse between India and Pakistan

India and Pakistan have made little progress towards resolving their protracted and often fractious dispute over Kashmir during high-level talks which concluded earlier this week.

Mr Shebaryar Khan, the Pakistani foreign secretary, and Mr J.N. Dixit, his Indian counterpart, met in Islamabad at the weekend after months of prodding and encouragement from western governments, including the Clinton administration.

Their intention was to restart their dialogue which was broken off 18 months ago.

The meeting was the seventh of its kind since the process of secretary-level talks began over three years ago.

However, it was also the most important meeting since it was the first time that India agreed formally to discuss the Kashmir dispute, despite their long-standing argument that the Kashmir issue was a domestic matter.

The new approach from both sides not only reflects the changing realities in the region but also the mood of an international community, increasingly concerned over the possibility of an intense and possibly nuclear conflict between the two south Asian countries.

Battle-ready troops remain on guard along the disputed Kashmir border, the scene of many protests and incidents during the 46-year conflict between the two countries.

Indian officials claim that they could continue the military operation for years without facing pressure to retreat.

However, a four-year continuing insurgency of Moslem fighters in Kashmir, where a quarter of a million troops remain deployed, has increasingly become the source of criticism based on claims of human rights violations.

The conflict has so far claimed between 7,000 and 10,000 lives, while at least 30,000 people are estimated to have been injured in the fighting. In addition, at least 10,000 Kashmiris are in detention for their alleged involvement in separatist activities.

For Pakistan, a country which devotes almost a third of its annual budget to national defence, maintaining such a level of expenditure has become unsustainable due to concerns from many of its leading donors.

The newly-elected government of Prime Minister Benazir Bhutto has publicly stated that it will not compromise the country's vital defence needs. But privately, many officials know that equally vital is the need to reduce expenditure if the country is ever to recover from its chronic deficits.

There has also been increasing pressure for the government to allocate more resources to social services, health and welfare.

Despite the failure of the latest talks to resolve the Kashmir dispute, both sides have tried to keep open the possibility of future dialogue without any specific timeframe.

The breaking point in the talks apparently came after Pakistan said that there could be no further progress unless key Kashmiri leaders who have been imprisoned are released and allowed free access to the international media and diplomats.

Furthermore, Pakistan also demanded an easing of repression in Kashmir before any further discussions take place.

For his part, Mr Dixit expressed confidence that the fact the two countries decided to discuss the issue was progress. "It is not necessary that when you are dealing with a complex problem that accomplishments should emerge immediately, it takes time."

In response, Mr Khan said: "The people of Kashmir should be allowed to breathe and be allowed to put across their point of view."

He reiterated Pakistan's longstanding demand that the only way to resolve the dispute is through a plebiscite which would allow the people of Kashmir to decide if they want to remain within India or rejoin Pakistan.

Despite the break-off without a timetable for the resumption of talks, officials and western diplomats are hopeful that the meeting may prove to be a turning point in the dialogue. "The biggest difference is that there are fresh compulsions on both sides to try to do something," said one senior Pakistani official.

Although there are grounds for optimism, there are equally good reasons to argue against the possibility of substantive progress.

Nationalists in both countries are almost certain to resist their governments if there are any signs of a compromise. "Progress will only come if our leaders say to hell with politics and getting re-elected. We should settle this dispute because that would be the most important contribution to peace," one Pakistani official said.

India yesterday rejected Pakistan's attempt to link bilateral dialogue to a change in New Delhi's stand on the Kashmir issue and cautioned Pakistan that this might cause a delay in settling other bilateral problems such as the Siachen glacier, the demarcation of a maritime boundary in the Sir Creek area, nuclear non-proliferation, and stabilisation along the line of control between the two countries, Shiraz Sidhva reports from New Delhi.

Mr J.N. Dixit, India's foreign secretary, told a press conference yesterday that a stalemate on the Kashmir issue had not been broken during talks with Pakistani officials which concluded in Islamabad on Monday.

Indo-Pakistan relations could not be viewed through the prism of the Kashmir issue alone, he said, and India was prepared to continue bilateral discussions as long as no pre-conditions were set. Mr Dixit said India had earlier planned to send proposals within two weeks which could result in the resolution of almost all outstanding issues between the two countries. These might be delayed, with Islamabad virtually rejecting India's proposal to hold the next round of foreign secretary-level talks in four months.

NEWS: THE AMERICAS

Sharp rise in licence fee aims to eliminate 80% of 'traders'

Gun dealers in US face tighter curbs

By George Graham in Washington

The US administration plans to follow up its initial success in winning restrictions on gun sales by pressing for tougher controls on gun dealers.

Mr Lloyd Bentsen, Treasury secretary, yesterday outlined plans for a sharp increase in the fee charged by the government for a gun-dealing licence, with the aim of eliminating 80 per cent of those now licensed to trade in firearms.

It has been so easy and so cheap to obtain a federal licence that many people go through the minimal paperwork required just so they can order guns from outside their home states and benefit from manufacturers' discounts.

Most of the 244,000 dealers now licensed by the Bureau of Alcohol, Tobacco and Firearms, a division of Mr Bentsen's Treasury department, operate from their homes. Many do not comply with state and local licensing requirements, but the bureau has been barred from refusing a licence for such non-compliance.

Lloyd Bentsen: current licence fee 'all the way to reckless'

Mr Bentsen said he would ask Congress to raise the licence fee to $600 (£405) a year from its current level of $10, which he described as not just ridiculous but "all the way to reckless".

The annual fee is already due to rise in February to $66 for a new licence and $30 for a renewal, as a consequence of the Brady law – passed in December by Congress – which would impose a waiting period on handgun buyers.

Higher fees "should eliminate 200,000 dealers, leaving only the actual ones in place," Mr Bentsen said. By reducing the number of dealers, the bureau could monitor remaining dealers more closely.

Mr Bentsen also promised measures to improve the bureau's computerised records.

Fear of crime and violence has become the most prevalent concern cited in US opinion polls, and this has given fresh momentum to efforts to control gun sales.

Besides the Brady law, other measures are under discussion in Congress that would ban the sale of certain categories of assault weapon and ammunition.

At the same time, sales of firearms, especially handguns, have soared. Many people who favour gun controls have bought weapons for their own protection, while others have sought to stock up to pre-empt any ban that Congress may pass.

The idea of a national registry of guns has also been floated, although with an estimated 200m guns already in circulation in the US this would probably prove fruitless.

Poverty leads to peasants' revolt

This is not the image of stability Mexico wants to project, writes **Damian Fraser**

The attack by up to a thousand armed peasants on four Mexican towns in the southern state of Chiapas presents the government of President Carlos Salinas with an acute political problem.

While the military threat of the rebels is negligible, the uprising comes at a time when the government is keen to project Mexico as a peaceful and stable country ready to become a member of the first world of rich nations. The insurrection offers a very different image, and underscores the social and political difficulties ahead as Mexico joins the North American Free Trade Agreement.

The troubles coincide with the beginning of the campaign to elect Mr Salinas's successor this August. If the violence continues, Mr Luis Donaldo Colosio, the ruling Institutional Revolutionary party's candidate, may have to go further in making social development rather than economic reform the key element of his political platform.

The uprising has already led to nearly 90 deaths, and countless more victims have been wounded. The rebels have ceded control of three of the four towns seized on New Year's Day – San Cristobal, Las Margaritas and Ococingo – but were still holding on to Altamirano yesterday morning.

The guerrillas, known as the Zapatista Army of National Liberation, declared war on the government on behalf of the country's Indians. They said they timed the New Year's Day insurrection to coincide with the formal enactment of Nafta, a treaty they said would be a death sentence for Indians.

Their fight was for "work, land, housing, food, health care, education, independence, freedom, democracy, justice and peace". Most of the rebels are poor Indians from the region, although some of the leaders are reported to be from the centre of the country. They appear well-financed and organised, suggesting perhaps links with drug or arms smugglers.

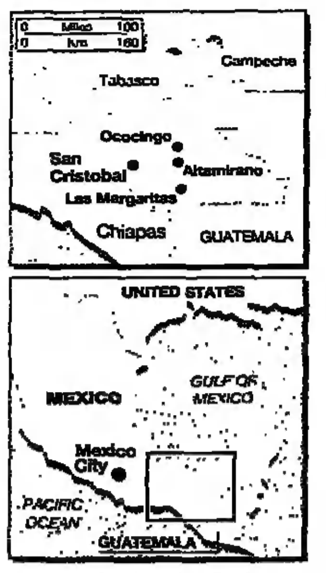
The government quickly painted the insurgents as radical groups with little popular base or support, and bent on violence at no cost. An official said they were supported by Guatemalan guerrillas and other Central Americans, and had ties to the leftist clergy in the state.

However, government critics see the violence as the product of the extreme poverty and repression afflicting Chiapas for centuries. It is by some measures Mexico's poorest state, with lowest levels of installed electricity, literacy and school attendance rates in the country.

The state is dominated by political bosses who belong to the PRI, and has one of the worst records of human rights abuses by the police and army. Disputes over land have long turned into violent clashes between poor peasants and the rich landowners who control the economy of the state.

Chiapas state

- It is one of Mexico's least-developed and most violence-prone
- It has only 4 per cent of the nation's population but 25 per cent of its land disputes
- About 30 per cent of its 3.2m residents are illiterate; one in four speaks an indigenous language but not Spanish
- About 20 per cent of children do not attend school, partly because not enough teachers speak both Spanish and indigenous languages; roads are scarce and bad
- The state has been made even poorer and less stable by thousands of undocumented central American refugees trying to reach the US
- Success in winning converts by both Roman Catholics and Protestants, the latter of whom were encouraged by the authorities in the 1940s to counter Catholic power, has exacerbated tensions: village leaders have expelled thousands of converts, accusing them of undermining Mayan traditions



Source: Associated Press

Last year the Minnesota Advocates for Human Rights, an independent US organisation, accused Mexico's military of torturing indigenous peoples in the state. Other reports by Amnesty International and Americas Watch have catalogued similar abuses.

The Minnesota report concluded: "The lawless practices of the Mexican military have been increasingly tolerated at the highest levels of Mexican government." The charges were denied by the government-controlled Human Rights Commission, but have long been made by the local Catholic Church, which actively supports the rights of Indians.

While Mr Salinas's economic reforms have made many Mexicans better off, they have yet to improve the lot of the rural poor, most of whom are found in southern states such as Chiapas. According to the government statistics institute and the United Nations, the number of people living in extreme poverty in rural areas increased from 6.7m in 1984 to 8.4m in 1989 and 8.8m in 1992.

During the past four years the government has poured billions of dollars into the Solidarity anti-poverty programme, of which Chiapas has been the biggest recipient. However, this programme has not been able to offset the impact of the removal of agricultural and other subsidies, and the decline in international prices of products such as coffee.

The Indian opposition to Nafta reflects a widely held view that the south of Mexico is unlikely to benefit as much as the north or the centre. Many Chiapas workers live off corn they produce, or on coffee farms. Under Nafta, Mexico will gradually open up to corn imports, and demand for farm labour is expected by most economists to fall sharply.

The government's immediate response to such problems is to pour more money into the state. The social development minister said on Monday the government would establish new programmes to address the problems of the region. It remains to be seen whether such spending will be sufficient, or if a broader political solution to the rights of Indians is necessary.

Offer to clear Falkland mines

Argentina has offered to fund the clear-up of about 30,000 mines still littering the Falkland Islands 12 years after the conflict with Britain, writes John Barham in Buenos Aires.

Mr Guido Di Tella, foreign minister, said Argentina would pay an unidentified "third country" to remove the mines, which dot large swathes of land outside Port Stanley, the islands' capital. A Foreign Ministry official said this might be done in co-operation with the UN.

British officials have welcomed the offer "in principle" but said it raised complex questions. They noted that Argentina kept no maps of minefields or records of the quantity of mines laid.

Furthermore, the plastic mines are difficult to detect, and their detonators deteriorate with time, making explosion unpredictable.

The offer is part of Mr Di Tella's so-called "charm offensive" to overcome the Falklanders' deep suspicion of Argentina. He has broadcast to the islands, met Falkland councillors in London and sent Christmas gifts to inhabitants.

However, on Monday, the 161st anniversary of the British occupation of the Falklands, the Foreign Ministry restated Argentina's "inalienable rights to sovereignty" over them.

Venezuela oil group's earnings leap

By Joseph Mann in Caracas

Venezuela's national oil company's net earnings climbed to more than $1.3bn (£870m) last year, sharply up from $338m in 1992, according to official estimates. The increase came despite weak international oil prices and a heavy domestic tax burden.

Petróleos de Venezuela (PDVSA), one of the world's largest oil companies, had a 1993 operating profit of $7.4bn on gross revenues of $21.6bn. However, it paid $5.6bn in taxes.

In 1992 the group's operating profit was $7.7bn on gross revenues of $21.4bn. It paid $7.2bn in taxes.

The company's profitability was boosted by greater efficiency and productivity, reorganisation of some functional areas and less burdensome taxes, officials said.

Mr Alirio Parra, Venezuela's minister of energy and mines, said the company would make capital investments of $4.2bn this year, the highest figure in the company's 19-year history.

Its 1994 investment plan should provide a shot in the arm for Venezuela's flagging economy, which logged 1 per cent negative GDP growth last year.

Mr Parra said most of the capital outlays this year would go to projects for increasing PDVSA's crude oil production capacity and for upgrading its two largest home refineries. Capital outlays in 1993 were $3.7bn.

PDVSA, which has substantial equity holdings in oil refining and distribution companies in the US and Europe, is carrying out a 10-year, $48.5bn capital investment programme. One of its main goals is to raise oil production potential to at least 4m barrels a day by the year 2002.

New investments in production will raise crude output potential to more than 3m b/d this year, the highest figure since Venezuela's oil industry was nationalised in 1976.

The company planned to contract new international debt of about $637m this year to help finance its investment programme, the minister said. It ended 1993 with total indebtedness of $4.2bn.

Prisons on alert as system shows strains

Security was increased at prisons across Venezuela yesterday after a riot and mass breakout at two separate institutions left more than 100 prisoners dead, writes Joseph Mann. Soldiers and firemen were still pulling bodies out of a compound in Maracaibo, Venezuela's second-largest city, after about 100 prisoners died during a riot and fire on Monday.

Venezuelan authorities said that two rival bands of prisoners began fighting late on Monday afternoon and set fire to prison buildings. Units of the National Guard were called in to crush the ensuing riot.

Meanwhile, 40 prisoners escaped and nine were killed while trying to flee Tocoron prison, 75 miles south-west of Caracas, while government officials were dealing with the aftermath of the Maracaibo rampage early on Tuesday morning. A National Guardsman also died.

NEWS: WORLD TRADE

US recovery lifts steel imports from Europe

By Nancy Dunne in Washington

American steel companies, buoyed by the economic recovery, have been importing large amounts of European steel to meet rising demand from the motor industry and other prospering sectors.

With the bulk of the US industry's anti-dumping and countervailing duty cases now on appeal, US companies have been focusing on production. According to Mr Horst Buelte, president of the American Institute for International Steel, producers are now among the largest importers, bringing in semi-finished steel, because demand is "so huge that the capacity is not sufficient".

"US mills are working 89-90 per cent capacity utilisation," he said. "Production bottlenecks and full order books in 1993 have forced US mills to turn to foreign suppliers for large quantities of semi-finished steel like slabs and billets."

The American Iron and Steel Institute, which represents steel companies, says imports from the EU rose almost 37 per cent between October 1992 and October last year.

At the same time, imports from Japan fell by almost 33 per cent.

The greatest beneficiary of the surge was Italy, which has been resisting EU plans to reduce excess production.

Italy's exports to the US rose almost 290 per cent to 156,205 short tons between October 1992 and 1993. Over the same period Danish imports rose 90 per cent; Greek imports 85 per cent; Belgian, 58 per cent and British, 4.7 per cent.

Imports from Germany totalled 303,893 tons, a 21 per cent increase.

Over the first 10 months of 1993 the quantity of finished steel mill products imports decreased by 610,000 tons over the 1992 figure. At the same time, semi-finished steel imports rose by 2m tons, reaching 3.9m tons and accounting for a quarter of total steel imports in the first 10 months of last year.

In October alone, semi-finished imports were 685,000 tons or 32 per cent of total steel imports.

A US industry source cautioned against assuming any long-term trends from the data. It was to be expected that US companies would have more finishing capacity than the more expensive facilities for hotrolled, he said.

While US imports have been rising to accommodate the recovery, exports have been falling as overseas markets dry up.

From October 1992 to October last year foreign sales dropped 15 per cent to 290,000 tons.

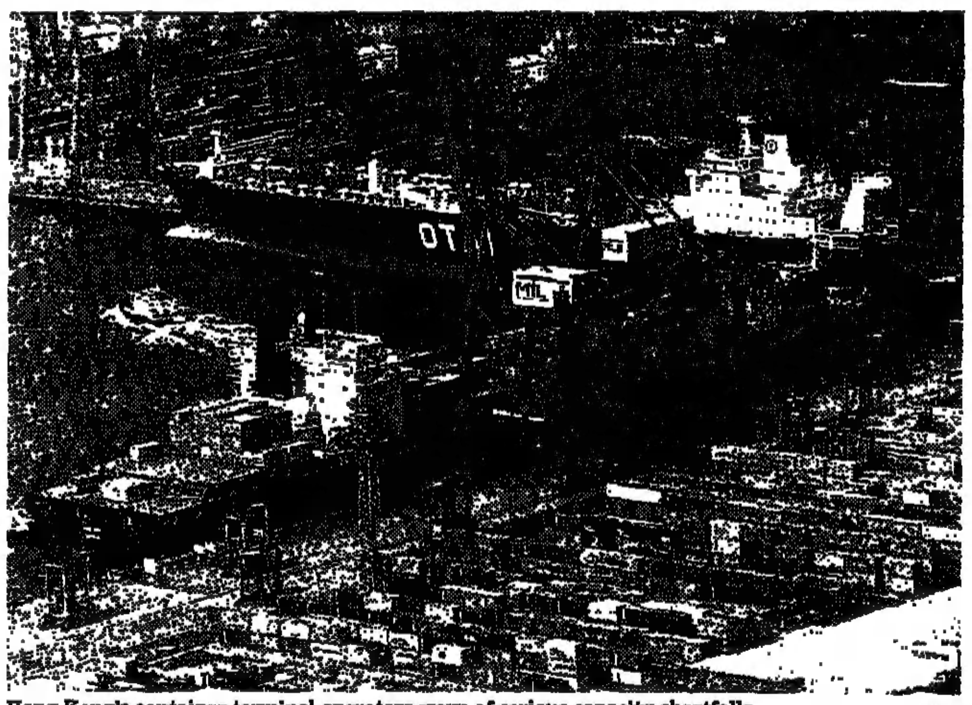
Cash row may hit HK port extension

By Louise Lucas in Hong Kong

Expansion of Hong Kong's port, already hostage to approval from the Chinese, faces further delay as the colony's government and private consortiums building the new Container Terminal Nine (CT9) thrash out agreement on funding and land availability.

Hongkong International Terminals (HIT), a subsidiary of Hutchison, and the other Kwai Chung container terminal operators yesterday urged the government to tackle outstanding problems, or risk capacity shortfalls of 1m TEUs (20-ft equivalent units) by 1997.

Mr John Meredith, managing director of HIT, said the government should allocate an additional 34 hectares of back-up land, which would let HIT boost its capacity by 1m TEUs a year from its existing quay waterfront.



Hong Kong's container terminal operators warn of serious capacity shortfalls Glyn Genin

Mr Mark Leese, managing director of Modern Terminals, one of the three contractors to the CT9 project, claimed the government was short-changing operators on attached infrastructural work. Operators agreed to undertake certain infrastructural work – for which the government is to reimburse them – in exchange for the development rights.

He claimed the actual cost of this work was HK$3bn (£263m) higher than government estimates, and said the discrepancy would be a hurdle to reaching agreement.

Global tourism climbs by 3.8%

By Michael Skapinker, Leisure Industries Correspondent

The number of international tourist arrivals worldwide last year was about 500m, a 3.8 per cent increase over 1992, according to the World Tourism Organisation.

International tourism receipts rose 9 per cent to $324bn (£219bn). The East Asian and Pacific region recorded the highest level of growth last year, with arrivals up 11.8 per cent to 68.5m.

Tourist receipts in the region rose 15.2 per cent to $52.6bn.

The Americas recorded the second highest growth, with arrivals up 5.6 per cent to 106.5m and receipts up 14.3 per cent to $95.5bn.

Travel within North America fell as a result of difficult economic conditions but tourists from Europe compensated for the shortfall. The Caribbean and Latin America had a successful year, the organisation said.

Europe remained the world's largest tourist destination, with 296.5m arrivals last year and receipts of $162.6bn. This represented growth over 1992 of 2.1 per cent and 5.7 per cent respectively.

Northern European countries had a difficult year, while eastern and central European destinations recorded strong growth.

The eastern Mediterranean held up well.

Growth in tourism to Africa was also limited, with arrivals up 2 per cent to 17.9m. Tourism receipts were healthier, however, growing 8.7 per cent to $6.4bn.

The losers last year were the Middle East and south Asia. The organisation said the Middle East had failed to maintain its post-Gulf war promise, with arrivals down 8.4 per cent to 7.2m. Receipts fell 7.4 per cent to $4.9bn.

In south Asia, arrivals fell by 1.4 per cent to 3.4m, with receipts down 2.9 per cent to $2bn.

The organisation said it expected international tourist arrivals to rise to 661m by 2000 and to 937m by 2010.

ABB wins turbine parts deal

ABB Asea Brown Boveri, the world's leading power engineering group, has won a $150m (£101.3m) order to supply spare turbine parts over a nine-year period to Midland Cogeneration Venture (MCV) of Midland, Michigan, writes Ian Rodger in Zurich.

MCV is a limited partnership formed in 1987 to acquire the useable part of an unfinished nuclear power plant at Midland and to complete it as a gas-fired combined heat and power plant. The plant, which started up in 1989, is powered by 12 ABB gas turbines producing 1,370MW of electricity and up to 0.6m kilograms per hour of process steam.

MCV is 49 per cent owned by CMS Energy, the local electric utility, with smaller stakes held by industrial companies in the area, including Dow Chemical and Fluor, and ABB.

ABB said the order was signed last week and so would be booked in 1993.

Colombia finds friends in drive to open up

Two free trade deals are blazing a trail which the government hopes will end in Nafta membership, writes **Sarita Kendall**

Colombia advances further on the road toward regional economic integration this month as it enters two important free trade agreements.

A trade accord with Chile came into operation at the start of the year, while the Group of Three agreement between Colombia, Mexico and Venezuela is due to be signed later in the month. President Cesar Gaviria is also pushing hard to make Colombia one of the first South American countries to join the North American Free Trade Agreement.

"In practice, we can be eligible for Nafta on all conditions – democratic tradition, economic stability, foreign investment legislation and deregulation," said Mr Juan Manuel Santos, the foreign trade minister. "The Group of Three and our other regional integration accords are preparing the ground for this step." Although Colombian products already enjoy special access to the US, the treaty would provide a more permanent trade framework and other benefits.

The internationalisation of the economy has moved fast in the last three years. Colombian producers are no longer limited to an inward-looking market of 33m people, but can plan for an expanded community of 180m, says Mr Santos. Average tariffs have come down from 40 per cent to 11 per cent and imports are soaring. Foreign investment has also begun to grow in response to the government's efforts to sell Colombia abroad.

The US is Colombia's most important trading partner – in 1992 imports from the US jumped by 40 per cent and they continue to rise. This year Colombia will have an overall trade deficit of more than $500m (£337m), something which does not alarm government economists because international reserves are more than $8bn, equivalent to at least a year's worth of imports.

Colombia – already a member of the Andean Pact which groups it with Venezuela, Ecuador and Bolivia (Peru's membership has been temporarily suspended) – is already boosting exports among Andean Pact countries and trade between Colombia and Venezuela rose to $1.1bn in the first nine months of 1993, about 30 per cent up on 1992.

The agreement with Chile will quickly lower tariffs on a wide range of agricultural and industrial goods – non-tariff barriers are being eliminated immediately and tariff levels on nearly all traded goods will be down to zero by 1999.

The Group of Three agreement, planned to come into effect in April, will reduce tariffs gradually over 10 years and encourage investment flows between countries. The combined gross domestic product of Colombia, Mexico and Venezuela adds up to $310bn and Ecuador and Bolivia have shown interest in joining the group.

Next year Colombia also expects to formalise trade accords with the Caribbean community (Caricom) and with central American countries.

The excitement generated by such moves has infected the private sector which, after hanging back rather fearfully, has become enthusiastic about new trade and investment opportunities. Improved policy co-ordination between government and industry is already apparent now that businessmen accept the official view that the opening of the economy is irreversible.

Decades of protection from imports have stunted industrial development and competitiveness. Colombia has relied on its advantages – including resources, climate, location and cheap labour – to export products largely based on natural resources.

Poor transport, energy and telecommunications put companies at a disadvantage, in particular those based in Bogota and the centre of the country. However, the government has begun to tackle some of these problems: for example, the restructuring of the ports has already speeded up operations and improved turnaround time.

Violence plays a large part in discouraging investment, but for those who look at Colombia in more detail, "it implies a cost and is a manageable risk", said Mr Armando Vegalara, director of the Colombia investment corporation, Coinvertir.

"The guerrillas are the most important factor for the foreign investor because they're against private property ... but Colombia has political stability and a stable legal framework too. People often find this extraordinary."

Foreign investment – excluding the oil sector – rose by 55 per cent to $395m for the January-December period. The US and Venezuela topped the list and the most popular sectors were chemicals and finance. "There's great interest in telecommunications, power plants and services associated with oil," said Mr Vegalara. "We've had several visitors from Japan, I think there's a change of attitude."

Colombians often blame the low rate of foreign investment on the country's bad image, ignoring the disturbing reality of assassinations, human rights abuse, terrorism and corruption. "I tell people that everything they read about the violence is true – but that they should look at all the other things Colombia has to offer," said a foreign economic expert.

One of Colombia's principal advantages is its economic track record and outlook. Debts are being paid, economic growth is steady and inflation has not been allowed to run wild. The 1993 growth rate was about 5.2 per cent, and similar growth is expected in 1994.

NEWS: UK

Irish peacebroker appeals for 'moral courage'

By David Owen in Belfast

Mr John Hume yesterday urged Republican leaders to embrace the UK-Irish peace initiative but said an end to IRA violence would require "one of the greatest acts of moral courage of this century".

The leader of the mainly Roman Catholic Social Democratic and Labour Party used a dense and passionate five-page statement to argue that last month's Downing Street Declaration satisfactorily addressed the IRA's stated reasons for its 25-year armed struggle.

"I do believe that the declaration makes very very clear that the traditional reasons for the use of physical force no longer exist that the republicans have given", he said.

In remarks made less than a day after Mr Gerry Adams, the Sinn Fein president, had poured scorn on Northern Ireland's right to self-determination, Mr Hume appealed to everyone affected by the peace process to refrain from "insensitive and unhelpful language".

He said: ""With peace, the border will in fact be gone. Let us commit ourselves to spilling our sweat and not our blood". Mr Hume made no reference to recent calls for him to publish the secret contents of the initiative he launched last year with Mr Adams.

His comments came as Sinn Féin leaders received a sharp reminder of the heavy personal cost that a continuation of the armed struggle could bring. A letter bomb exploded without injury at the party's Dublin headquarters.

Republican leaders have yet to make a definitive response to the joint declaration, although their recent comments have suggested they are edging towards rejecting it. Mr Hume's remarks were interpreted as an attempt to influence the intense debate on the shape of this response which is thought to be raging inside the republican movement.

But in a fresh development last night, Mr James Molyneaux, the Ulster Unionist leader, made it clear the thought the IRA had already effectively rejected the joint declaration.

He also urged the government to combine tougher security measures against terrorists with a drive to inject fresh impetus into talks involving Northern Ireland's four constitutional political parties.

In a speech in Lisburn to fellow Ulster Unionists, Mr Molyneaux said the way was now clear for the British government to "co-operate with Ulster Unionists" in giving fresh impetus to the political talks.

"The unease created by unfounded allegations of betrayal will vanish when it is seen that the Major government is embarked on a determined drive to restore the level of accountable democracy enjoyed by the other three components of the UK".

Mr Molyneaux plans later this week to address three private meetings of Ulster Unionist activists in an exercise designed to reassure the grass roots of the party.

Increase in jobs for graduates expected this year

By John Authers

Companies are planning to increase graduate recruitment this year for the first time since 1989, the Association of Graduate Recruiters said yesterday.

Its survey of 271 large recruiters found that 7 per cent more graduates will be offered jobs this year than in 1993. Only 4 per cent of employers have any plans to cut recruitment over the next three years, while 39 per cent expect increases.

But the sharp rise in university enrolment over the past five years means that more new graduates will be unemployed this year than at end of the 1993.

This strong supply of graduates is also likely to thwart any significant increase in starting salaries.

Employers started boosting their recruitment programmes during 1993 as optimism about the economy increased. As a result, recruitment ended only 3.5 per cent lower than in 1992. At the beginning of 1993, they had expected a fall of 21 per cent, following a cut of 14 per cent in 1992.

Mrs Kate Orebi Gann, recruitment manager for Marks and Spencer, the leading retailer, and chairman of the association, said many companies needed to take on extra recruits because they had "pared to the bone" during the recession.

"Once more organisations start to prepare for the recovery, this improvement in graduate recruitment should accelerate. The country cannot afford the waste of talent evident over the last few years."

Traditional heavy recruiters, such as chartered accountancy firms and management consultants, are expected to step up their recruitment efforts, although there will be no return to the levels of the mid-1980s, she said.

Industry has born the brunt of cuts in recruitment, and is recovering more slowly than other sectors. In 1993, industry recruitment fell by 18.6 per cent, a faster fall than in 1992, while intake in all other sectors increased by 1.4 per cent.

Industrial companies are also noticeably less optimistic for the future, planning increased recruitment of only 4 per cent for this year.

Students leaving university this year will still face a harder fight to find a job.

The median starting salary paid to graduates last year was £13,004, only 1.6 per cent higher than in 1992. For the second year running, that was less than half the increase in average earnings over the same period. This year, salaries are expected to rise to £13,500, an increase of 3.8 per cent. The average salary being paid to a graduate recruited in 1990 is £17,000, although the top 10 per cent are being paid more than £22,000.

Land Rover launch set to boost US sales

Kevin Done, Motor Industry Correspondent, in Detroit

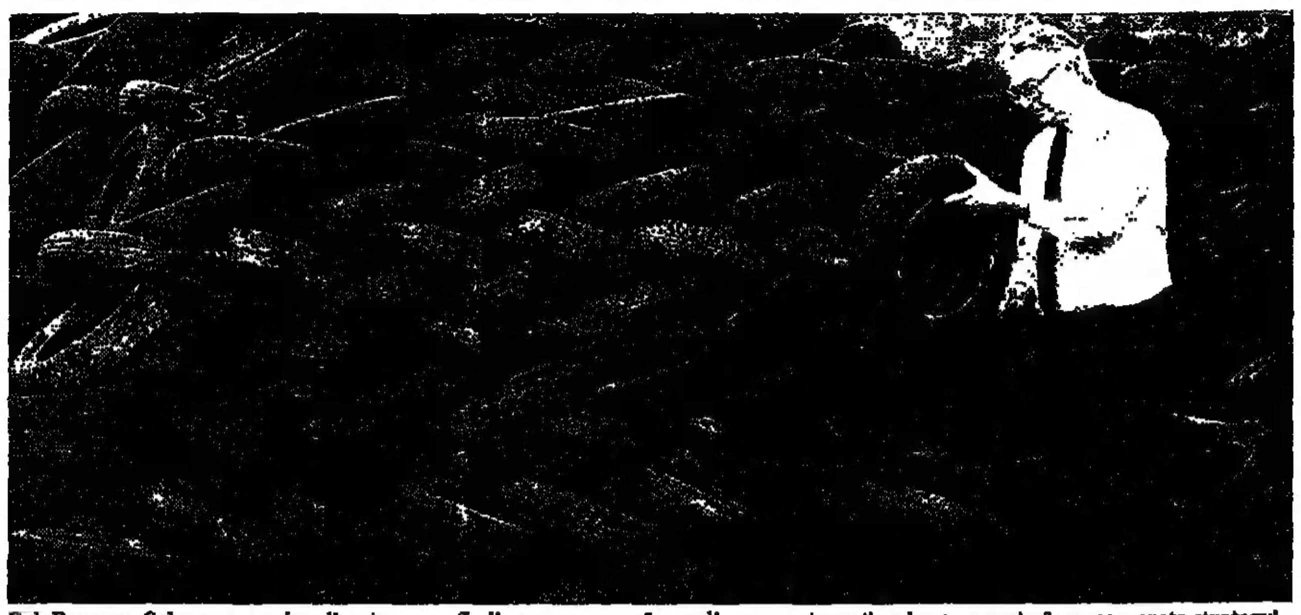
Land Rover is to launch its Discovery four-wheel-drive vehicle in North America in April, a move expected to quadruple its US sales.

The Discovery will add to Land Rover's existing US sales of the luxury Range Rover and utility Defender ranges. The launch, announced yesterday, is expected to push Land Rover production to a record level in 1994. Output at its Solihull plant in the UK rose by 18 per cent to 68,000 in 1993, its second best year.

Mr John Russell, Land Rover commercial director, said sales in the US last year rose by 15.9 per cent to a record 4,907. The US is the world's biggest market for four-wheel-drive sports/utility vehicles, and it is expected that Discovery sales in the US could reach 15,000 a year.

For the US market, Discovery prices will begin at less than $30,000. Prices will be well below UK levels to allow the Discovery to compete in the lower-priced US market against vehicles such as the Ford Explorer and Chrysler's Jeep Grand Cherokee.

Chrysler, the US vehicle maker, has enjoyed growing success with the launch of its US-built Jeep Cherokee and Wrangler four-wheel-drive vehicles in the UK last year, which sold almost 4,000, double the initial target.



Bob Bonomy, Colway managing director, says finding new ways of recycling scrap tyres 'has become part of our corporate strategy'

Tyre crisis swept under carpet

John Griffiths on a recycling joint venture that tackles part but not all of a scrap mountain

A collaborative venture between a subsidiary of BBA, the motor components and engineering group, and Colway Tyres, the UK's largest independent tyre remoulder, is turning 3m scrap tyres a year into carpet underlay.

The venture represents one of the latest ways of dealing with the mountains of discarded tyres now regarded as a big environmental problem.

About 25m tyres are discarded each year in the UK and about 250m a year in western Europe. With serious attempts at recycling only just starting to gain momentum, several hundred million tyres have accumulated.

One large tyre dump in Wales is still burning after eight years, all attempts to extinguish it having failed. Even without fire, pollutants leech from the tyres, poisoning soil and endangering waterways.

The BBA-Colway venture has involved building a tyre-shredding and storage facility next to Colway's remoulding plant on the outskirts of Durham, which produces more than 1m tyres a year and employs about 250 people.

Four million discarded tyres a year are collected from distributors and retail outlets. Only about a quarter are fit for remoulding and the remainder are shredded, with the resultant rubber "crumb" being collected in large silos.

It is transported to Duralay, BBA's wholly owned subsidiary at Rossendale, Lancashire, where it is made into underlay. Steel cords reclaimed from the tyres are sent for recycling separately.

Finding new ways of recycling scrap tyres not suitable for remoulding "has become part of our corporate strategy", says Mr Bob Bonomy, managing director of Colway. The partners stress that underlay can only be a small part of the recycling solution to the problem of scrap tyres.

Research commissioned from consultants Coopers & Lybrand has identified the inclusion of rubber crumb in asphalt as one potentially way of dealing with the problem. Inclusion of about 15 per cent crumb in road construction would increase the life of a road surface by 15 to 22 years, the research says.

"But the bad news is that, as things stand, the cost of the asphalt rises by 50 per cent to 100 per cent so the actual payback is marginal," said Mr Bonomy.

However, the picture might improve if Europe were to follow the example in some states of the US. There it has become law to use crumb to improve drainage and skid resistance.

Britain in brief

Mobile phone connections at record level

The UK's two leading mobile telephone operators reported more than 120,000 net new connections in December, easily the highest monthly total since the launch of cellular networks in the mid-1980s.

Vodafone, the largest operator, reported a net increase of 52,500 in December, taking its total to more than 1m for the first time. Cellnet, a joint venture between British Telecommunications and Securicor, reported a net increase of 68,700, taking its total to 906,000.

The figures point to a boom in mobile telephony, coming after record months for both companies in November. Cellnet made more new connections in December than during the whole of 1992.

Fertility treatment ruling

Health secretary Virginia Bottomley ruled out the use of eggs from aborted foetuses being used in fertility treatment.

She said it was not possible under present legislation which provided "very careful ethical controls. Any centre which gave treatments not permitted would be struck off".

Life insurance sales warning

Telling potential customers the commission they will pay when they buy life insurance will make them shop around and reduce life and pensions business overall, says a survey of sales agents.

About one-third of tied agents – life company appointed representatives – in the survey by the Life Insurance Associations said they would leave the industry if commission disclosure reduced their income.

MANAGEMENT

EUROMANAGERS TO WATCH

"I have never been just a technology nut," says Jozef Cornu. But the director of technical affairs at Alcatel-Alsthom, the Paris-based telecommunications, engineering and transport group, has a glint in his eye when he explains the rapid pace of technical change in the telecommunications sector and the business opportunities it creates.

From the development of cellular and cable technologies to the growing importance of software and broad band transmission, Cornu describes in detail the directions of the group's rapidly evolving markets. "Almost anything is possible now," he says, referring to the upheavals in the US and European telecoms industries.

Such enthusiasm about technical matters helps to explain Cornu's ascent to the top echelons of one of Europe's fastest-growing industrial groups. Alcatel-Alsthom's net profits have more than trebled since 1988 to reach an expected FFr7bn ($1.19bn) in 1993. Annual sales have risen to more than FFr160bn. The rise is largely the result of heavy investment in new technology and its applications. As head of these operations, Cornu is at the cutting edge of group strategy.

He is also at the sharp end of several substantial management challenges – how to develop and commercialise technology, and how to do so in a group as geographically diverse as Alcatel-Alsthom.

On the first count he has the advantage of knowing his technology. Cornu completed a doctorate in electronics at Carleton University in Ottawa and has subsequently kept track of the new developments in relevant research. "Not all technicians adapt to business," he says. "But I do not regard it as a disadvantage to know what you are talking about."

Scientific aptitude alone, however, counts for little. For Cornu, it has been complemented by commercial experience gained from a winding career through various technology-based companies.

His first job was at Asea Brown Boveri, the Swedish-Swiss engineering group, where he worked in the research department. In 1973, he joined a subsidiary of ITT in Belgium, his homeland, to start its micro-electronic design activities. Nine years later he was appointed general manager of a telecoms joint venture between ITT and the regional investment company in Flanders and in 1984 he became general manager of ITT's Belgian subsidiary.

The big move, however, came in 1987. The merger between the telecommunications activities of Compagnie Générale d'Electricité and the telecommunications operations of ITT gave birth to Alcatel and brought Cornu into the new company.

Jozef Cornu: 'We have to maintain the dynamism of a small company'

Adapting to change

Jozef Cornu is well-placed to capitalise on Alcatel-Alsthom's rapidly evolving markets, writes **John Ridding**

Put in charge of the key telecoms switching division, he successfully developed the rival digital systems of ITT and CGE, expanding their combined market share from about 17 per cent then to about 20 per cent today. He was appointed to the Alcatel board in 1988 and to the board of Alcatel-Alsthom, the mother company, in 1992.

The trail, which has led Cornu through Belgium to Canada and Paris and through companies of different nationalities, appears fitting. Alcatel-Alsthom is one of the world's most international business groups, with a management base in Paris, a financial base in the Netherlands, a joint venture with GEC of the UK, and three-quarters of its sales from outside France.

But its diversity also poses a problem – how to manage such a dispersed group and how to harness technology from the group's various research facilities.

For Cornu, the solution is to adapt management to the strengths of diversity rather than to impose a rigid centralised influence. One example is in the appointment of local managers. Whereas Siemens' overseas operations are often headed by Germans, and Ericsson's by Swedes, Cornu argues in favour of local appointments.

"We have national people even at the subsidiary level. We have Brazilians running our operations in Brazil and Australians in Australia," he says. "The biggest benefit is that you can use the talents of many nationalities. The most mobile people in a company are not always the best."

Cornu is also an advocate of decentralisation within each management group. "The greatest danger for big companies is to be too rigidly structured, too formal," he says. "We have to maintain the dynamism of a small company, which involves being open and relatively informal. In that respect we are not a typically French company."

For Cornu this dynamism requires a high degree of delegation. "You have to give people responsibility. You cannot manage through formal reports."

This in turn places a strong emphasis on the appointment of subordinates. "Attracting the best people will continue to be our biggest challenge," he says, arguing that the group's large advertising expenditure is aimed at potential employees as well as clients.

But channelling the various international operations and managing a decentralised group requires a strong system of communications.

At the level of research, Cornu's domain, the solution is partly based on what he refers to as the general relations agreement. Under this agreement, technical information from Alcatel's various operations is pooled and is accessible to all companies in the group. To finance research, each company pays a percentage of sales to a common fund. The application of technology is determined by a research director in Paris.

If communication within the group is an important part of Cornu's management creed, so too is contact with the client. "Just three years ago this was a relatively predictable industry. Now everything is changing very quickly."

The best example is the US where the four levels of telecommunications operators – regional and long distance, cable and cellular – are battling to enter each other's territory.

The result, says Cornu is that Alcatel's customers are no longer "sleeping beauties". They are, he says "much more awake and have much more flexible strategies. I need to have my ear much closer to the ground, to know what customers are doing and to match our research to the changes in the industry".

So far, so good. The rise in the group's sales and profits and its resilience to recession reflect Alcatel's ability to adapt. Having undergone a personal transition from technology to the marketplace, Cornu is well placed to help steer the group through the same transformation.

Tomorrow's bosses are being left to find their own way to the top. Lucy Kellaway investigates

Mysterious case of the vanishing career ladder

Once upon a time managers spent their careers climbing the company ladder a step at a time, in a straight line towards the top.

The upward journey taken by today's managers is more circuitous. Now that the old corporate hierarchies have been dismantled, the ladders have gone and it is often unclear what counts as the next step up.

Moreover, in many companies there is no longer a paternalistic personnel department showing ambitious employees the way. Now that everybody is "empowered", they are meant to "own" – ie be responsible for – everything, including their careers.

This laissez-faire approach to nurturing tomorrow's managers came under attack at a recent seminar in London attended by personnel directors of large British companies.

According to Andrew Mayo, director of human resource development at ICL, many aspiring high-fliers are getting lost, and may even be leaving their jobs because they feel stuck. "I listen to people who say that 'there used to be five slots between me and the top. Now I can't see the way forward, so I've decided to go outside'."

A survey conducted by GHN, the management consultancy which hosted the seminar, shows that 19 out of 20 companies believe it is important to develop high-fliers. Yet half do so passively, arguing that the full responsibility for career progression should rest with the individual, not with the company. Indeed, many of these companies now frown on the very word "career", preferring instead the vaguer euphemism "personal development".

Yet the task for which top managers are being groomed – or grooming themselves – is increasingly onerous. The days when someone could rise through a single department such as marketing or finance and emerge at the top, are gone. Business leaders need broad experience of different functions, and different markets. They need strategic vision, political skills, communication skills, team leading skills, a clarity of mind as well as the ability to change and be flexible. It is a tall order.

Mayo argues that companies wanting to help equip managers for such a role must intervene to make sure that the right training and experience is going to the right sort of people. "If you want to develop true general managers you need to help them and make interventions."

He also argues that if you leave it to the aspiring managers themselves you may miss some people with real potential. He says the laissez-faire approach penalises women: "The kind of person who pushes themselves needs to do it 24 hours a day," he explains.

Deciding to intervene is one thing – getting it right is another.

Companies pick out their high fliers in a bewildering variety of ways. Some, such as Amstrad, have traditionally gone for a seat of the pants evaluation, leaning heavily on the culture and style of Alan Sugar, the company's founder.

At the other extreme are the multinationals – IBM or Shell, for example – which use complicated systems of appraisal, often backed up with high-tech wizardry, that plot the career profile of individual managers and map that against the needs of the company.

Having selected the high-fliers, companies develop them through a mixture of outside training and work experience: and both routes are strewn with obstacles.

Sheila Forbes of Reed Elsevier argues that companies are too willing to pay enormous sums on training tomorrow's bosses, sending them to business schools without any clear idea of what they are getting out of it. "Often the standard MBA approach doesn't help. The problem is how you get the management trainers to work with you, rather than simply adopt an MBA approach. We need to ask ourselves if we are demanding enough as clients of the providers of management education". She says it is a mistake to put someone through these courses (which might take them out of the office for two or three months) only to return them to the same job afterwards. "During those courses people move on, and they want a new challenge when they come back."

Practical problems of moving people around the organisation can be even greater still. Blue Circle, the building materials group, owns a number of autonomously-managed companies. It believes that top managers do not make themselves, and that candidates for the top need experience of different parts of the group. Without stage managing from the centre it would be impossible for managers to jump from one subsidiary to another.

To meet its needs, Blue Circle has developed a five-to-ten year management succession plan, and is moving its hand-picked managers round the world, to ensure that each will have the right sort of experience for a future at the top. "In theory it is simple," says Peter Mutter, personnel director. "We ensure there is enough training so they have a tool bag of skills and then we supplement that with experience."

However, the company has found that its subsidiaries blanch when they are asked to give up their high fliers so that they can get more experience working for another part of the group.

The answer, says Mutter, is to negotiate each case, in some cases giving in, in others holding out.

Some companies doubt the worth of such an interventionist approach. In particular, they argue there is little point in drawing up a detailed corporate plan for the future and then attempting to train the people to fit that plan. "Five years ago we used to look at the business plan and then at the people," says Mike Haffenden, director of personnel at Hewlett-Packard (UK). "Now we don't know what the business plan is. So we help individuals grow as people first."

BUSINESS AND THE ENVIRONMENT

Farmers Weekly

Windswept acres: Visitors tour Stanaway Farm which is now reaping the benefits of a 1970s tree-planting scheme

Deborah Hargreaves considers an initiative which combines 'green' agricultural methods and profitability

Farmers turning over a new Leaf

Trees planted in the late 1970s are beginning to provide shelter on the windswept acres of Stanaway Farm near Ipswich in Suffolk, and wildlife is creeping back to the borders of wheatfields where new hedges have now rooted.

Chris Hayward, who manages the farm, tries to use environmentally-friendly methods of production while still making a profit.

"I hope we are addressing many environmental issues in the public eye," he says. He still sprays pesticides and fertilisers, but cuts down their use by rotating crops regularly and analysing the soil to plan more carefully the amounts of chemicals to use.

Hayward follows the low input/low output approach adopted by advocates of "sustainable" farming – a current buzzword in the agricultural community – and still manages to make a profit of more than £100 per acre.

Stanaway recently became the latest holding to join the Leaf initiative – Linking Environment and Farming – which was set up two years ago in the UK as a way of encouraging farmers to produce in a more environmentally-sensitive way.

Leaf is also partly a public relations exercise in an attempt to change the popular image of farmers as *antediluvian carnivores* splashing pesticides across the land.

"Farmers have an image problem," says David Richardson, a Norfolk farmer who is chairman of Leaf. "Farmers will often preserve hedgerows and protect habitats because they need them for shooting pheasants. They don't call this conservation, they call it shooting."

The greater environmental awareness among the European public is encouraging many farmers to produce in less intensive ways. In addition, recent reforms of the Common Agricultural Policy have laid increased emphasis on more environmentally-friendly methods of production.

Some farmers are replanting hedges that were torn up in the drive to maximise profits in the 1960s. They are leaving wide margins at the edge of their fields so that weeds from the hedges do not seed into crops which means they can then use fewer herbicides.

Leaf is one of several organisations trying to show the public that farmers are doing much towards conservation while also running commercial farms. It treads a middle road between the often unprofitable organic farms and highly-intensive producers.

Richardson stresses that Leaf farmers are responding to financial incentives to cut down on their use of chemicals. It is often cheaper for producers to match their inputs of chemicals more closely to optimum crop yields. This minimises the leaking of chemicals into the land and eventually, the watercourses.

At the same time, there is no longer any need to splash out on fertilisers and pesticides in the hope of squeezing every last bushel of grain from the land. The public is weary of EU food mountains and Brussels is reducing guaranteed prices to farmers.

These price cuts and the need to move towards world market levels for EU farmers can give a marketing advantage to those who are using "greener" production methods. "One of the ways the farmer will be able to make his products more attractive to the consumer will be to ensure the customer knows they were produced in an ethical way," says Richardson. Large retailers such as J. Sainsbury, Marks and Spencer and Safeway have joined the organisation to provide the link to the consumer.

All Leaf farms have to abide by a set of guidelines on conservation. Other specific advice for growing certain crops is also stipulated. Although guidelines such as minimising inputs are often unspecific about target levels, Leaf farmers must undergo a rigorous inspection process before they can join.

One Leaf farmer, Robert Lawton who has a 1,500-acre dairy, arable and beef farm in Wiltshire, recently won the Farmers Weekly and Dalgety award for farmer of the year.

"One of the most important things from an environmental viewpoint is that Leaf farmers are maintaining countryside features and habitats in good health," says Paul Wynne, land use officer at the Council for the Protection of Rural England, who sits on the Leaf advisory board. "These farmers are preserving the hedgerows and ponds – commonplace features which farms can lose without many of us even seeing it."

In December, Stanaway became the 14th Leaf demonstration farm, which means it will be open to touring parties of opinion-formers such as members of parliament, local councillors, teachers and agriculturalists. The idea is to influence other farmers as well as the public.

Leaf aims to have a network of demonstration farms with one in each county on show in the next couple of years. In addition, it has around 30 other members which adhere to its principles, but do not want to show the public round.

As a way of reaching out to more farmers, Leaf recently sent out an environmental audit to more than 200 farms to gauge their awareness of green issues. The audit aims to help farmers to take stock of their existing farming methods. It asks them questions about landscape features and habitats on their farms, management of the soil, crop protection and conservation of energy.

Caroline Drummond, Leaf project co-ordinator says she thought the audit "had made people think". She hopes farmers will fill in the questionnaire every year and record their progress on environmental issues.

Leaf, which is part of a wider European movement with offshoots in Germany, Spain and Sweden, is partly funded by the large agro-chemical and related companies – Schering (Germany), Dalgety (UK), Willmot Crop Protection (UK), Ciba (Switzerland), and Hydro Agri (the UK offshoot of Norsk Hydro of Norway) – anxious to promote a "greener" image.

They also hope to preserve a market which could be restricted by a public backlash against using chemicals on the land.

Islanders count the cost of climatic change

Two cyclones in 18 months have left Samoans with a sense of unease and a $500m bill, writes Joanna Pegum

Two years ago, Western Samoa was recovering well from Cyclone Ofa, the worst storm to strike the Pacific island state in 20 years. The last thing it needed was another large cyclone – but barely 18 months later came Cyclone Val.

Cyclone Ofa caused $200m (£134.2m) worth of damage and Cyclone Val brought the total cost to $500m.

Despite a big clear-up, the devastation is still evident in many parts of the country. A sea wall has recently gone up in the capital, Apia, and whole villages remain deserted on the badly-hit western side of the islands. Several hotels closed and have not reopened.

"We were still recovering from Ofa when Val came," says Wes Ward, information officer for the locally-based South Pacific Regional Environment Programme.

Much of the damage caused by Ofa was coastal – it even destroyed houses on a 30m clifftop. Waves washed away the road to the airport in several places, and while the runway was not affected, damage to the airport buildings meant that no planes could land for three days.

It was so long since the islands had suffered such a severe storm that many trees had grown up, only to be blown over and uprooted, bringing down power lines and dislodging pipes. Samoans were left without power for five weeks and without water for seven. Food crops were devastated, and 80 per cent of the population relied on emergency food aid for three months.

While Ofa was considered the worst storm in 20 years, Val was the storm of the century. It raged for four days, looping back on itself once it had passed the island of Savai'i, with wind speeds averaging 100mph and gusting up to 150mph. "Strong winds from the south are very unusual," says Noumea Simi, head of the government's aid division. "Now we don't know what to prepare for – it could come from anywhere."

As a wind-based cyclone, Val caused greater devastation than Ofa, especially to buildings, including schools and hospitals, with repair bills running to Western Samoan Tala 336m (£114m). Roofs were ripped off and leaks damaged electrical wiring and interiors of houses.

Substantial damage was inflicted on 90 per cent of the buildings on Savai'i and 80 per cent on 'Upolu, the country's two main islands.

Overseas aid proved to be crucial – and the expatriate Samoan community in New Zealand was particularly generous.

The Samoan government responded by suspending import duties on building materials – even though vast numbers of trees had fallen, the islanders were still short of materials. Rehabilitation is not yet complete, but more than half of all families have been able to rebuild their homes to their original standard.

"You definitely thought your life was in danger . . . There was no contact with the outside world"

"I couldn't find where my house used to be," says Pene Lefale, a Samoan worker for Greenpeace. Many families took refuge in the sturdy concrete water tanks found in every village, or even in Savai'i's caves. A few were unlucky and had only a fence for shelter. "You definitely thought your life was in danger," adds Lefale. "There was no contact with the outside world. The weather here has been more extreme on all fronts – the rains have been heavier, and it has been hotter and more humid. We've realised we've entered into something we've never experienced in our lives before."

Apia's main street, Beach Road, and its major intersections were badly damaged by the cyclone, and one bridge had to be totally reconstructed. The harbour was destroyed, though not the new container park, and the ferry building, transit sheds, stores and warehouses all had damage to their roofs and or walls put at WST10.9m.

However, roads in the less populated island of Savai'i got the worst of the cyclone: substantial stretches were washed away and pavements were badly affected. The east coast road on 'Upolu suffered extensive destruction, and an EC-funded reconstruction contract needed to be extended by two months, bringing the total road repair bill to WST24.7m.

Food crops were the worst affected, with damage to bananas, breadfruit, vegetables, taro, and other root crops put at 100 per cent – a WST44.2m cost to the country.

Supplies lasted only a few weeks, and food supplies were critical for months. It is likely to take several years before tree crops (estimated at 90-100 per cent damage and put at WST29m) can grow to fruit-bearing size. Half the country's livestock was lost at a cost of WST12.5m.

The forestry industry was also badly affected, with the loss of native forest timber put at WST100m. Total primary industry (agriculture) losses amounted to WST200m.

Although the cyclone caused catastrophic damage, local people were quick to repair their homes, hauling on roofs and tidying up. As Noumea Simi says, "a lot of people took the initiative, no one hung around and waited for the government to help them." "People were very resilient," Lefale says, "they went from village to village to help – it really brought the country together."

With two once-in-a-lifetime cyclones in 18 months, many Samoans are heeding warnings on climate change and wondering when they will be struck again. They have particular cause to worry, as Cyclone Val put an end to cyclone insurance for many people. National Pacific Insurance now insists on a certificate from a structural engineer and asks for extra premiums for cyclone insurance – too much for most people or businesses to pay.

PEOPLE

Former shipmate comes aboard

It is perhaps appropriate that one of the first shore jobs taken by Sir Julian Oswald, who stepped down as Chief of Naval Staff earlier this year, is to join the board of an old shipping company whose directors have just mutinied. Sir Julian, 60, has become a non-executive director of Barrow-in-Furness-based James Fisher following the ousting of John Hornby, the 48-year-old chairman.

Sir Julian (right) has been brought on board by Sir David Hardy, a former finance director of Ocean Transport and one of two non-executive directors who joined the Fisher board at the end of June.

Sir David, a director of several companies including Hanson, is an old friend of Sir Julian. Sir David used to be chairman of Swan Hunter which built HMS Worcester, one of Sir Julian's last commands, and Sir Julian arranged for Sir David to go to sea on a Nato exercise.

Sir David says he had wanted to recruit someone to the board who could help restore the low morale at Fisher, which expects to lose money in the current half year.

He added that John Hornby, who has been chairman and chief executive for the past four years, was an accountant and not a "people person".

Pressure for change at the top of James Fisher, which manages several British Nuclear Fuels ships in addition to its large short-sea fleet, came from the charitable trusts which control nearly half its equity. The company cut its dividend sharply last year and passed its interim dividend this year, substantially reducing the trusts' income.

Sir David has taken over as acting chairman but has hired Sir John Trelawnay of headhunters Goddard Kay Rogers to look for a replacement and a new chief executive. In the interim, Trevor Hart, 43, managing director of the firm's Coe Metcalf Shipping, becomes acting managing director.

■ **Seamus McBride**, formerly general manager, oral care, Europe, for Colgate Palmolive, has been appointed marketing director of BASS Brewers. **Simon MacDonald** has been promoted to md of Bass Export. **Peter Thomas** has been promoted to md of Bass Lease Company.

■ **Stephen Walker** has been promoted to group and company secretary of EUROTUNNEL; he succeeds **Peter Ratzer** who remains director, corporate finance.

■ **Jim Marshall**, formerly commercial director of Custom Foods, part of Heinz, has been appointed finance director of COW & GATE NUTRICIA.

■ **Mike Whiddett**, former vice-president finance of Galileo, has been appointed finance and administration director of OGDEN AVIATION SERVICES.

■ **Brian Mottershaw**, chief executive of British Salt, has been appointed to the board of the parent company, STAVELEY INDUSTRIES.

■ **Stephen Henton** has been appointed company secretary of AMERSHAM INTERNATIONAL; **Kirk Stephenson** remains finance director.

■ **Ian Black**, human resources director of NCR's Europe group, has been made responsible for group human resources at SIDLAW.

■ **David McBeath**, formerly director of Hoechst Veterinar, has been appointed chief executive of GRAMPIAN HOLDINGS' veterinary pharmaceutical division; **Bob Bridgeman**, who currently holds both roles, remains executive chairman.

■ **Jon Walden**, md of Lex Vehicle Leasing, has been appointed to the board of LEX SERVICE.

■ **Graham Tranter** has been appointed director of IMI Components and general manager of IMI Nuclear Components, IMI Amal and IMI Reeves.

■ **Terry Damer** has been appointed to the new position of director – international newspaper developments of the FINANCIAL TIMES; **Jane Scott** has been promoted to marketing director (UK).

■ **Lee Brewer**, previously vice-president worldwide sales group, based in Boston, US, of POLAROID, has been appointed senior vice-president Europe, based in Middlesex.

■ **Roger Quenby**, director of Hewden Hire, and **Ray Ledger**, md of Hewden Stuart Crane Hire, have been appointed to the parent board of HEWDEN STUART.

■ **Sean Brady** has been promoted to chief executive of Minch Norton, part of GREENCORE.

■ **Mike Bowskill** has been promoted to manufacturing director of Northern Rubber, part of TOMKINS.

■ **David Owen**, formerly human resources and quality director of TSB, has been appointed human resources director at FORTE.

Lenton resigns

Ingram Lenton has resigned from his position as non-executive chairman of Compass Group on grounds of ill-health. He is also giving up his post as chairman of Watts Blake Bearne.

Lenton had been with Compass, which lost its then chief executive, Gerry Robinson, to Granada, in 1991, since 1987. The chairmanship will temporarily be taken over by Robinson's replacement as chief executive, Francis Mackay, though he said yesterday that the company hoped to place a new non-executive chairman "during the first quarter of the new year".

At WBB, where Lenton had been for six years and its chairman since 1991, he will be succeeded by Michael Beckett, a director and deputy chairman since May 1992. Lenton's place on the board will be taken by Alan Lesser who, until he retired in June 1993, was chief executive of RTZ Borax & Minerals.

■ **Raymond Edwards**, chairman of Charles Sydney, has resigned as a director of the ALBERT FISHER GROUP.

■ **Gerald Tyler** is retiring from RMC GROUP.

■ **Alan Taylor** has left the board of GOODE DURRANT.

■ **Norman Price** has resigned from TRIPLEX LLOYD.

Non-executive directors

■ **Ian Martin**, deputy chairman of GrandMet, and **Bill Mathieson**, md of City of London Real Property, at HOUSE OF FRASER.

■ **John Goodwin**, chairman of The Highland Distilleries Company, at A.G. BARR.

■ **Jack Leonard**, chairman of Eurotherm, as chairman at BRITISH TECHNOLOGY GROUP on the retirement of Sir Colin Barker.

■ **Jeroen Schothorst** has resigned from HI-TEC SPORTS.

■ **Michael Howell** at FENNER.

■ **Kenneth Andrew**, former chairman and chief executive of Aetna Financial Services, at DBS MANAGEMENT.

■ **Michael Hampson**, **Alan Perelman** and **Christopher Wilkins** at WHITBREAD INVESTMENT COMPANY: **John Henderson**, **John Hignett**, **Lionel Ross**, **Sir Charles Tidbury**, **Sir Anthony Tuke** and **Sam Whitbread** have resigned.

■ **Graham Chambers**, head of human resources at NatWest Markets, **Kirsi-Marja Kuivalainen**, vice-president of human resources at Nokia Group, **Robert Meakin**, director of personnel at British Aerospace, and **Paul Williams**, director of group personnel at Glaxo Holdings, at EMPLOYMENT CONDITIONS ABROAD.

■ **Granville Camsey**, md of group technology at National Power, at E.A. TECHNOLOGY.

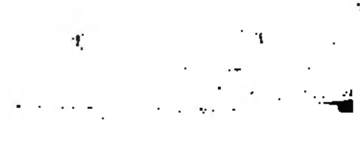
■ **Anthony Habgood**, chief executive of Bunzl, and **Michael Hoffman**, deputy chairman and group chief executive of Thames Water, at POWERGEN.

■ **Douglas Hudson**, who runs his own management consultancy, at FORWARD GROUP.

■ **Anthony Canning-Jones** at BEVERLEY GROUP.

■ **Pauline Hyde** (below left), founder and former chief executive of Pauline Hyde & Associates, as UK chairman of LEE HECHT HARRISON.

■ **Robert Wickham** (below right), retired general manager of the Bank of Scotland, at SECURE TRUST GROUP.



Television/**Christopher Dunkley**

Bizarre saturnalia

When the social history of the world comes to be written, the saturnalia in late 20th century Britain will make a bizarre footnote. For two weeks in midwinter the nation closes down. Any days which are not weekends are declared bank holidays. Transport comes to a halt. Dustbins, though abnormally full, remain unemptied. Postal services cease. The streets are deserted. And what is the population doing? Watching television.

As darkness falls at four in the afternoon visiting Martian sociologists patrolling the roads would observe flickering electronic light seeping from countless front rooms. Inside, in an atmosphere of pine needles, turkey soup, and family tension, people sit and watch for hour after hour as the entire history of American cinema is played out on the box: from the silent antics of Harold Lloyd, via the astounding insults of Groucho Marx, to the *fin-de-siècle* nostalgia of Michael J. Fox in *Back To The Future III* (actually a hymn to an idealised Wild West) and Kevin Costner in *Field Of Dreams* (an anthem to an idealised society where baseball provides the values that the English once projected onto cricket). The oddest thing is that this weird ritual grows longer every year, even though it is impossible to find anybody who claims to enjoy it.

★

Having long ridiculed the French for their xenophobic panic over "American cultural imperialism" and their efforts to use the power of the state to force fellow countrymen to stop watching American films and programmes and watch French ones instead, it may seem odd, now, to start complaining about American content on British television. But what matters, surely, is the difference between coercion and persuasion. It is wrong to try to legislate against public taste but right to scold ITV for offering us such a cynical schedule on Christmas Day. Between 6.00 in the evening and 3.30 in the morning they screened four American movies, one documentary about an American songwriter, a half hour programme about American cinema, and 10 minutes of news. To make matters worse, the films were announced by a man with an American drawl who said "Eye Dee Vee and Diet Coke pre-zent eh movie prer-mere" (to rhyme with "revere"). Why? What is wrong with English? Perhaps the drubbing that ITV took from BBC1 in the ratings battle will persuade the commercial network to mend its ways. True, BBC1 did screen an American movie at 9.10, but the rest of the comparable period was all-British, from *Only Fools And Horses* to the mandatory repeat of *The Morecambe And Wise Christmas Show*.

★

And were there really no worthwhile original programmes during the great Christmas splurge? From Christmas week itself four were worthy of remembrance. *The Wrong Trousers*, Nick Park's second animated cartoon featuring Wallace and Gromit, not to mention a sinister penguin, will probably win as many awards as his brilliant first work *Creature Comforts*. Shown on BBC2 at teatime on December 26, it should and no doubt will be repeated ad infinitum.

Guys, Dolls And D-Wing on BBC2 on December 29 was a white whale of a documentary: an account of events inside prison which was unlike all the other prison documentaries you have ever seen. Watching the pro-am production of a musical inside Wandsworth gaol, you suddenly realised that while sewing mailbags or listening to sociology lectures would never change these men, fulfilling the extraordinary requirements of a stage musical just might. It was tremendously heartening.

On the same night *Hookers, Hustlers, Pimps And Their Johns* (C4) was disappointing even though it was so unusual as to remain memorable. Perhaps we were expecting too much because Beeban Kidron had done so magnificently well in directing *Oranges Are Not The Only Fruit*. Here, with her documentary review of sex-for-sale in New York, there was a lack of cohesion. It was brave and honest, and neither glamorised nor demonised the protagonists, but as a programme it might have worked better if the fat young pimp, "Junior" (who did an amazing consumer survey of street walkers with the camera on the floor of the limo) had acted as host throughout.

People sit and watch for hour after hour as the entire history of American cinema is played out on the box

The Railway Station Man on December 30 was promoted as the film in BBC2's "Screen Two" series which brought together Julie Christie and Donald Sutherland for the first time since their splendidly erotic bedroom scene in *Don't Look Now* 20 years ago. Both, though especially Christie, still looked good and, sure enough, there did still appear to be some sort of electric charge between them. The drama, scripted by Shelagh Delaney from a book by Jennifer Johnston, seemed deceptively slight, in the manner of William Trevor. A story of love, politics, and the baffling power of art, it keeps on growing in the memory.

★

And now, in the past few days, new series have begun to stream onto the screen. *Health And Efficiency* (nothing to do with monochrome photos of air-brushed nudists) on BBC1 on Thursdays is that rare phenomenon, a new British comedy which looks as though it may actually prove funny. The hospital setting is nothing new, but having marketing experts and a management gorgon at the centre of affairs is. No promises, mind, because opening episodes can be irritatingly unrepresentative, but this appears to have potential.

On paper *Broadway Stories* (Channel 4, Saturdays) also looks like a winner, but not on screen. Mike McShane, the outsize Canadian known from *Whose Line Is It Anyway* and as Sandy Toksvig's partner in *The Big One*, narrates Damon Runyon stories. We know how effective the lone actor/narrator can be from Alan Bennett's unforgettable *Talking Heads*, and McShane has shown himself to be a gifted comedy actor and possibly even a talented comedian. Yet the first episode did not work. Having McShane cook himself up a hot drink in a freezing New York apartment while telling the story was oddly distracting.

BBC1's new Sunday teatime serial, *Smokescreen*, may be popular, and it certainly has strengths: a reasonable budget by the look of things, Timothy West in a leading role, and an interesting milieu – early cinema in northern England. Unfortunately, like so many previous British costume dramas, this one appears to be in love with its period artefacts and locations. From the museum-condition vintage motors to the cobbles in the street, nothing is allowed to pass without a loving caress from the camera and a nudge to the viewers; after all, children may be watching and they need to have such things brought to their attention. This is British steam train drama of the most mannered sort . . . though the story may yet prove strong enough to distract us.

It seemed odd for BBC2 to screen the two-part *Art Of Conducting* on BBC2 on Sunday and Monday so soon after the jokey and telling *Omnibus* on BBC1, "Everything You Wanted To Know About Conductors", although this BBC2 offering was a more classic documentary. A veritable catalogue of clips showed how keen Hollywood and television have been on these artistic show-offs, and indicated again what a significant tool television has become in modern history. Here is one more subject where television is obviously far more powerful and useful than any book.

The first episode of *Auction* (BBC2 again) was schemed in such a way that events inside Sotheby's were made to seem as exciting as, and not unlike, the proceedings at those *Antiques Roadshow* rallies. A £4.5m Goya with impeccable provenance was the centrepiece of a sale which also included a Dutch panel painting taken from under her bed by a woman in Stockport and sold, at £33,000, for twice its estimated value. More revelations about Sotheby's charges (one per cent of the hammer price and £500 catalogue charges to the vendor) would be even more interesting.

It will be surprising if there is a better classic British thriller this year than *A Dark Adapted Eye*, shown by BBC1 on January 1 and 2. A story of secrets within a middle class family, of eccentricity bordering on madness, of suppressed emotion in rural communities, and hidden passion abroad, it was an outstanding example of what has become a strong tradition in British television. Yet again Celia Imrie, this time playing a quietly neurotic wife buried in a picturebook Suffolk cottage, gave a performance of great intensity and power. Though it broke no new ground, this production created an atmosphere and a sense of period that you could almost smell and feel.

If there is as much good television in every other week of 1994 as in Week 1 we shall have nothing to complain about.

One of the good things: Darcey Bussell in the Royal Ballet's restoration of 'Ballet Imperial'

Alastair Muir

Ballet in 1993/**Clement Crisp**

Dance is at the crossroads

The year is going, let him go;/Ring out the false, ring in the true. Such Tennysonian thoughts could be those of dance-lovers after twelve months of false ballets; false dancing; false dealing; false repertories, and false seasons.

A critic's – this critic's – acounts for 1993 are dismaying. Artistic falsehoods abounded. How else to explain the Royal Ballet's diabolical version of *Don Quixote*, in which not one single ingredient – design, text, score, production, performance – was right, and a wonderful old ballet was served up, in Coral Browne's memorable phrase about an actor "like two tons of condemned veal". Consider, too, Glen Tetley's *La Ronde*, which was deposited on the Opera House stage like an old Wienerschnitzel, with the activities of its copious scenery more interesting than the relentless grind (in any sense of the word) of its choreography. This was the year of David Bintley's gnat-busy *Tombeaux*, and of his awful misreading of *Sylvia* for Birmingham Royal Ballet. We were also faced with less than triumphant novelties in a recent programme that went under the witless title of *White-hot and Different*, with another piece from William Forsythe to hit out at us, short but aggressive, like a child mugger.

The restoration of *Ballet Imperial* with nearly all the glorious Berman designs, albeit not quite enough of the glorious dancing, was good news, as were Irek Mukhamedov's appearances as Balanchine's Apollo (a grand hellenic torso) and the Prodigal Son. He was also outstanding as Romeo, in *Judas Tree* (which looked very fine), and seemed like Sisyphus as he tried to give some momentum to *Don Quixote*.

Nina Ananiashvili was seen at the Opera House as a grand and Russian Firebird (with Stuart Cassidy an excellent Ivan), and Darcey Bussell showed an ideal physical sympathy for her Balanchine roles – clear and ardent. Debut of the year at Covent Garden was Sarah Wildor's memorably intense and luminous Juliet, exquisite, bright with promise.

Also on the side of truth, Birmingham Royal Ballet brought Ninette de Valois' noble *Job* back to Covent Garden, and then took it to Coventry cathedral (Dame Ninette had long hoped to see it in such a setting). We admired Marion Tait and Miyako Yoshida, and the return of Massine's *Choreartium* showed the troupe at its best. Standards of classic dancing were otherwise less sure, and both *Sleeping Beauty* and *Romeo* were under-manned.

English National Ballet gained Derek Deane as a welcome new director, put on a serious Bolshoi-style *Swan Lake* and a traditional *Sleeping Beauty*. The best news was that Deane had started to polish the ensemble: performances in *Beauty* looked truer, sharper than for years. Thomas Edur remains a shining example of aristocratic style allied to dramatic sensitivity, and is thereby unique on our ballet-scene. The indomitable London City Ballet – which, I must suppose, Heaven rather than the Arts Council is determined to save – closed and then re-opened. Hurrah! Hurrah, too, for Kim Brandstrup's Arc Dance, also not favoured by the Arts Council, which continued to produce valuable dance with Brandstrup's *Antic*.

The year's abundant falsities included suspect and fearsome goods from home and abroad. I list, from a sense of duty but with considerable distaste: Maurice Béjart's Lausanne troupe which brought farragos about Chaplin and Italy that were a vexation to the spirit, and vehicles for Sylvie Guillem (*Sisi*) and Koen Onzia (*The Miraculous Mandarin*, with Onzia as a transvestite tart) which were made bearable by their central performances. The ill-named *Stars of American Ballet*, Prague Festival Ballet, Batsheva from Israel, Nederlands Dans Theater 2 (wonderful dancers; insupportable repertory) and Nederlands Dans 3 (sheltered accommodation for dancers over 40); Scottish Ballet looking glum in an unlikely *Anna Karenina*; the Cholmondelys and the Featherstonehaughs in the tiresome *Precious*; Northern Ballet Theatre in a spirit-lowering triple bill and an inexcusable *Cinderella*; an apotheosis of Euro-trash in The Place's *Dance Workshop Europe*: these, and many more, celebrated the rule of the tasteless or the inept.

The single worst event of the year – and like the Chinese water torture it was slow and inexorable in its eight weeks of inadequacy – was the Anglo-American television survey *Dancing* on BBC2, which combined garrulity with political correctness and a stupefying inability to cope with its subject. And as the apotheosis of what was wrong with 1993, let me cite the proposed re-shaping of London Contemporary Dance Theatre (a troupe of which we can be unabashedly proud) and the anticipated expansion of Rambert Dance which, without Richard Alston, (who gave it an uncompromising but clear image), is an unknown quantity. Contemporary dance is at the crossroads – and that is where the dirty work takes place.

There were, though, great truths on view. The New York City Ballet's eight week Balanchine Festival, featuring 73 of the master's works, was a grand achievement, made even more glorious for me by the performances of Kyra Nichols, who can do no wrong. I reported with greatest pleasure on performances at the Paris Opera where the repertory is lively, and the dance is radiant, both from such étoiles as the flawless Elisabeth Platel, Manuel Legris and the recently promoted Nicholas LeRiche , and from serried ranks of hugely gifted youngsters. Twyla Tharp's company and her dances also looked very good on a visit to the Paris Opera.

Our own major visitors came from Russia. The Kirov made an odd impression at the Coliseum. Their version of the Lavrovsky *Romeo* was a mistaken choice; the omnipresent and flashy Julia Makhalina was not the best advertisement for Petersburg classic style, and Farukh Ruzimatov removed himself after a few self-parodying performances. Happily, certain younger ballerinas – Irina Shapchits, Veronika Ivanova, Larissa Lezhnina – and the corps de ballet were there to tell us of Kirovian excellence.

The Bolshoi stormed the Albert Hall. Here, I fear, is the shape of ballet to come: huge arena, pop presentation, expensive tickets, dance as a gladiatorial art, and seek in vain for many niceties of style or choreography. Big ballet equals big bucks. The Grigorovich repertory can sustain this exposure; the traditional classics looked bleached, beached. There were heart-whole performances from the Bolshoi's dancers, with such newcomers as Andrey Uvarov, Sergey Filin, Yury Klevtsov, Elena Palshina a delight to see. And at the Edinburgh Festival, Mark Morris – despite losing his theatre – reasserted the rule of fine and subtle choreography with his thrilling *Liebeslieder Walzer* and a triple bill, appreciatively recorded here by Alastair Macaulay.

In surveying the year, certain things must be recalled with especial gratitude. I have mentioned the unflawed dancing of Elisabeth Platel and Kyra Nichols. The appearance of Mikhail Baryshnikov with the White Oaks Project for two nights at *Sadler's Wells*, showed us sublimest artistry. At an age when most male dancers have hung up their shoes, Baryshnikov – in pieces by Twyla Tharp and Mark Morris – was as brilliant, as rhythmically vivid and physically exhilarating, as the young divinity we first saw in 1970, and the great artist we knew in the succeeding decades. It was miraculous dancing, life-enhancing. And Life-enhancing in a very different way was a performance by Amici, a group of men and women variously and seriously handicapped, who, under the leadership of Wolfgang Stange, produced a dance piece (*The Journey*) which spoke eloquently of their problems, of their aspirations, and of their gifts. Unlike much of what 1993 brought us, Amici's work is of great value.

Theatre/**Malcolm Rutherford**

A Christmas Carol

Patrick Stewart, and Charles Dickens, plainly have a dedicated following. At the end of his one-man performance of *A Christmas Carol* at the Old Vic, Stewart received an immediate standing ovation. And in the last 20 minutes of his two hour show one can see why: as the reformed, beneficent Scrooge, Stewart is totally in command of his material and his audience.

Not that there were lapses before; the technique is always there. Any reservations are about how far it is possible to reduce the Dickens novel to a solo show. When people were reputed to have known *A Christmas Carol* by heart, perhaps. They would have picked up every nuance and minor character and gone along quite happily with the sequence of the ghosts of Christmas.

A lot of people still do. Never having developed a taste for Dickens, I shall defer to them, save to say that much of it seems maudlin and repetitious and that *unless* you know the story by heart, you may find a one man version confusing and irritating.

My only other criticism could be a compliment. Stewart's opening Scrooge – the hard man – does not seem such a bad old stick. When someone wishes him "Merry Christmas", he replies "humbug": not an uncommon sentiment. Possibly this a deliberate interpretation. Underneath the mean old Scrooge, there was always a generous soul waiting to break out. The simpler explanation, however, is that Stewart is much better playing Scrooge, good or bad, rather than all the other characters as well.

The Old Vic is a biggish theatre with a large stage. On the first night it was packed. Despite the seasonal coughing, Stewart held the audience throughout. He knew his performance was working because after going through an hysterical burst of laughter, he suddenly ad-libbed: "For a man who has been out of practice so long, that was a brilliant laugh." Applause all round.

For the last six years or so Stewart has given his talents to Hollywood and television. Here is a welcome re-appearance. As an actor he has a lean and hungry look. One hopes that the Royal Shakespeare Company, of which he is still an honorary member, can tempt him back to greater parts.

Old Vic until January 8. (071) 928 7616

INTERNATIONAL

ARTS GUIDE

■ BONN

Oper This month's repertory consists of Valery Panov's new production of Prokofiev's ballet Cinderella, Cav and Pag, Yuri Lyubimov's staging of Jenufa and a new production of Les Contes d'Hoffmann, opening Jan 23 (0228-773667)

■ BORDEAUX

Palais de Sports Tonight, tomorrow: Hans Graf conducts Orchestre National Bordeaux Aquitaine in works by Hindemith, Saint-Saens and Brahms with violin soloist Frank Peter Zimmermann (5648 5854)

Grand-Théâtre Fri, Sun afternoon, next Tues and Fri: Karl Anton Rickenbacher conducts Jérôme Savary's production of Die Fledermaus (5648 5854)

■ COLOGNE

Philharmonie The programme over the coming week is dominated by Karlheinz Stockhausen, who directs his huge sonic canvas Hymnen for tape, orchestra and soloists on Sun morning, Mon and Tues evenings. Helmuth Rilling conducts choral works by Mozart and Haydn on Sun afternoon, and Neville Marriner conducts the Academy of St Martin in the Fields next Wed (0221-2801)

Opernhaus This month's performances are devoted almost entirely to Cosi fan tutte. The next new production is Shostakovich's The Nose, first night Jan 29 (0221-221 8400)

■ COPENHAGEN

Royal Theatre Tomorrow, Mon: Menotti's Amahl and the Night Visitors. Sat, Sun afternoon: The Norwegian Ballet. Repertory also includes La boheme, La traviata, Cosi fan tutte, Napoli and Helgi Tomasson's new production of Sleeping Beauty (tel 3314 1002 fax 3312 3692)

■ DRESDEN

Semperoper Tomorrow, Sun: La boheme. Fri: Der Freischütz. Sat: Gluck's Orfeo. Sun morning, Mon and Tues evenings: James Conlon conducts Dresden Staatskapelle in works by Dukas, Florent Schmitt and Franck. Next Wed and Sun: Arabella with Felicity Lott (0351-484 2323)

■ DUSSELDORF

Deutsche Oper am Rhein Tonight: Fiddler on the Roof. Tomorrow: Heinz Spoerli's ballet Goldberg Variations. Fri: Hansel and Gretel. Sat: Les Contes d'Hoffmann. Sun: Nutcracker. A new production of Wolfgang Fortner's Don Perlimplin opens on Jan 22 (0211-890 8211). Duisburg Theatre has Nutcracker tonight, Lohengrin tomorrow and Sun, and The Merry Widow on Sat (0203-300 9100)

Schauspielhaus Jan 8-16: Shakespeare festival, including A Midsummer Night's Dream, Troilus and Cressida, Julius Caesar and Romeo and Juliet. This month's repertory also includes Eugene O'Neill's Mourning Becomes Electra and Büchner's Woyzeck (tickets 0211-369911 information 0211-162200)

■ FRANKFURT

Alte Oper My Fair Lady runs daily till Sun. The next orchestral concert is Jan 13, when Yuri Bashmet plays Schnittke's Viola Concerto (069-134 0400)

Oper The main event this month is the revival on Sun of Nikolaus Lehnhoff's production of Lohengrin, with a cast including Thomas Sunnegardh and Anja Silja. Sylvain Cambreling conducts a concert performance of Schumann's Scenes from Faust on Fri, and Frankfurt Ballet revives William Forsythe's The Loss of Small Detail next Thurs (069-236061)

Theater am Turm Michael Simon's new music-theatre work Real Life, based on Maxim Gorki's Night Exile and modern Russian choral music, receives its premiere on Fri, in a production featuring 40 members of the St Petersburg Chamber Choir. Daily except Mon till Jan 15 (069-15450)

■ HAMBURG

Staatsoper Tonight, Sat: Madama Butterfly with Yoko Watanabe. Tomorrow, next Tues: Die Zauberflöte. Fri, next Wed: Fidelio with Gabriela Benackova, Thomas Moser and Matti Salminen. Sun: Tannhäuser with Wolfgang Schmidt in title role (040-351721)

Musikhalle Fri: Daniel Nazareth conducts MDR Symphony Orchestra. Sun, Mon, Tues: Günter Wand conducts North German Radio Symphony Orchestra. Jan 14: Guarneri Quartet. Jan 21, 22: John Eliot Gardiner conducts Stravinsky and Mahler. Jan 25: Midon. Jan 27: Gidon Kremer (040-354414)

■ LEIPZIG

Gewandhaus Tomorrow, Fri: Kurt Masur conducts Gewandhaus Orchestra in works by Schenker, Mozart and Dvorak, with violin soloist Christiane Edinger. Sun morning, Mon evening: Daniel Nazareth conducts MDR Symphony Orchestra in Bach and Mahler, with violin soloist Ingolf Turban. Sun: Gewandhaus Quartet plays string quartets by Beethoven, Mendelssohn and Shostakovich (0341-713 2280)

■ LILLE

Nouveau Siècle Jan 11, 12: Krzysztof Penderecki conducts Orchestre National de Lille in works by Penderecki and Dvorak, with cello soloist Boris Pergamenshikov. Jan 14: Vladimir Spivakov directs Moscow Virtuosi (2012 8240)

■ LYON

Opéra Tonight, tomorrow, Fri, Sat: Lyon Opéra Ballet in Maguy Marin's production of Prokofiev's ballet Cinderella. Jan 18-22: Coppelia (tel 7200 4545 fax 7200 4546)

Auditorium Tomorrow, Sat: Emmanuel Krivine conducts Orchestre National de Lyon in works by Richard Strauss and Mahler (7860 3713)

■ MARSEILLE

Opéra Jan 18, 21, 23, 25: Der fliegende Holländer, with José van Dam (9155 0070)

■ MUNICH

Staatsoper Tonight, Sat: John Neumeier's ballet A Midsummer Night's Dream. Tomorrow, next Tues: Tosca with Galina Kalinina, Peter Dvorsky and Bernd Weikl. Fri, Mon: Der Rosenkavalier. Sun, next Wed: Peter Grimes with René Kollo, Pamela Coburn and Donald McIntyre. This month's repertory also includes Cav and Pag with Agnes Baltsa and Piero Cappuccilli, Don Giovanni with Thomas Hampson and John Cranko's production of Prokofiev's ballet Romeo and Juliet. Tom Cairns's new production of Un ballo in maschera opens on Jan 31 with a cast headed by Julia Varady and Dennis O'Neill (089-221316)

Gasteig Tomorrow, Fri: Lorin Maazel conducts Bavarian Radio Symphony Orchestra and Chorus in Beethoven's Ninth Symphony. Sun: Russian State Ballet in Nutcracker. Next Mon, Wed, Thurs, Sat: Lothar Zagrosek conducts Munich Philharmonic Orchestra in works by York Höller and Tchaikovsky, with soprano Phyllis Bryn-Julson. Next Tues: Daniel Nazareth conducts MDR Symphony Orchestra in Bach and Bruckner. Jan 14: Neville Marriner conducts Academy of St Martin in the Fields. Jan 19: Sinopoli conducts Mahler (089-4809 8614)

■ STOCKHOLM

Royal Opera This month's repertory consists of La Traviata, Cav and Pag, Pelléas et Mélisande and Glen Tetley's ballet The Tempest (tickets 08-248240 information 08-203515)

Berwaldhallen Sat afternoon: Jukk-Pekka Saraste conducts Swedish Radio Symphony Orchestra in works by Rakhmaninov and Bruckner, with piano soloist Niklas Sivelöv. Jan 14: Esa-Pekka Salonen conducts Beethoven and Stravinsky. Jan 20: Gidon Kremer plays Berg's Violin Concerto (08-784 1800)

■ STRASBOURG

Palais de la Musique Tomorrow, Friday: Eliahu Inbal conducts Strasbourg Philharmonic Orchestra in Mahler's Seventh Symphony (8852 1845)

ARTS GUIDE

Monday: Berlin, New York and Paris.
Tuesday: Austria, Belgium, Netherlands, Switzerland, Chicago, Washington.
Wednesday: France, Germany, Scandinavia.
Thursday: Italy, Spain, Athens, London, Prague.
Friday: Exhibitions Guide.

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Super Channel: European Business Today 2230; repeated 0630, 0715
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Super Channel: FT Reports 1230.
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Super Channel: West of Moscow 1230
Euronews: FT Reports 0745, 1315, 1545, 1845, 2345
WEDNESDAY
Super Channel: FT Reports 1230
THURSDAY
Super Channel: West of Moscow 1230; FT Reports 2130
Euronews 0745, 1315, 1545, 1845
FRIDAY
Super Channel: FT Reports 1230
Sky News: FT Reports 2030
SATURDAY
Sky News: 0330; 1330
SUNDAY
Super Channel: FT Reports 2230
Sky News: FT Reports 1730; 0430

Forecast 94

Poised for a pick-up

French recovery is on the cards, writes Jean-Michel Charpin

The recession was unusually deep for France last year, with gross domestic product contracting by an estimated 0.7 percentage points. The recession stemmed from a chain of events arising from the unforeseen costs of German unification and the difficulties relating to European integration.

A recovery is on the cards *for the French economy* in 1994. However, because the French and German economies are so closely linked the former is unlikely to improve without a corresponding pick-up in the latter.

There was a clear public relations element in the French and German authorities' announcement last November of a "joint convergence strategy" for European economic and monetary union. Nevertheless, the stances adopted by Paris and Bonn are fully justified by their extraordinary degree *of economic* interdependence.

France's economy has bottomed out since the second quarter of 1993. There was some mild growth (0.2 percentage points) in the second and third quarters after a sharp slump in the two previous quarters.

Demand for private housing picked up, the number of real estate transactions increased, *property prices stopped* falling and there was a drop in the number of unsold flats and houses. Household consumption also increased. Its sharp rise during the summer came as a surprise after the substantial tax increases introduced in July and August.

This year, industrial production, which fell by 3.5 per cent in 1993, should increase moderately. The reversal should be *spectacular for the car industry*; a 3 per cent increase in car sales should be achieved in the year ahead, after a decline of 18.3 per cent in 1993.

Although the newly introduced European statistical system has complicated the task of analysis, France's external trade account is improving, particularly with its non-European trading partners. The surpluses have been increasing *steadily in nominal terms*, and France has even run a surplus on bilateral trade with the UK of more than £100m a month.

Business investment has declined for the third year running. But recent surveys suggest that the downward trend has almost come to an end. Meanwhile, inflation is under control and unit labour costs are stable. The competitiveness of French exporters, measured in terms of costs and prices, seems on average to be good. For example, it appears to be close to the levels of 1991, when French companies gained market share.

For more than a decade, maintaining a stable franc/D-*Mark exchange rate has been* the cornerstone of French economic policy. This policy has proved successful. Interest rate spreads have narrowed, inflation is under control, companies are more profitable and France's economic growth has outstripped that of most other leading industrialised countries.

But now the situation has changed. First, the widening of *the European exchange rate* mechanism fluctuation bands following last August's currency crisis when the franc came under intense selling pressure, has extended the range of policy options. Second, the Banque de France's newly independent status will modify decision-making procedures.

The goal of French monetary policy since last summer's ERM crisis has been to maintain the "internal and external stability" of the franc. This policy should soon be spelled out in greater detail by the Banque de France's new monetary policy-making body, *the Monetary* Policy Council, whose members will be announced today. *While a number of options are* possible, radical scenarios can be ruled out, particularly those based on a shift in policy priorities. Stability will remain the central objective of monetary policy.

Fiscal policy has played an active role since the government of Mr Edouard Balladur took office in April, but from a *macroeconomic view the* impact of such a policy has been virtually neutral. The government has already benefited from the success of its privatisation policy, and the effect will be even stronger in 1994.

On the downside, the fall in tax receipts from recession and the increase in welfare spending have limited the scope for cutting taxes and reducing employees' and employers' social contributions.

Provided *Germany* does *not* slip back into recession, the Banque Nationale de Paris forecasts growth close to 1 per cent for the French economy in 1994. This would be driven by residential investment, exports outside *Europe* and, to a lesser extent, household consumption. Inflation will remain low, at about 2.5 per cent. Meanwhile, the trade and current accounts will continue to generate surpluses.

Unfortunately, the projected rate of growth will probably not be sufficient to make a sig*nificant reduction in unem*ployment. While France's economic performance in the past 10 years has been healthy, its record on jobs is mediocre. Unemployment is currently 12 per cent of the labour force.

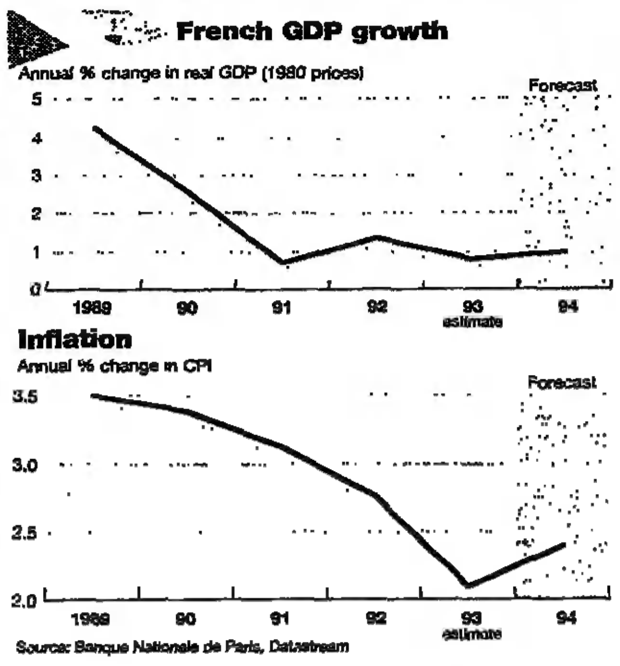
But the real blemish on economic performance is the fact *that, in 1989, after several* years of strong growth, unemployment was still 9.4 per cent, revealing a deep structural problem. Assuming the trends in productivity and economic activity persist, growth would have to reach 2 per cent in order to produce a rise in net employment, and 3 per cent to *bring unemployment down*. Clearly these thresholds are much too high.

In the recent past, France may have appeared caught up in its rural origins, reluctantly facing up to the challenge of international competition and indifferent to its unemployed. While this impression is not entirely false, it distorts and overshadows the whole picture. In the past few years, *French companies have made* considerable efforts to innovate and adapt to the changing *economic environment*, and they will emerge more competitive from the recession.

Several recent developments augur well for France and other economies: negotiations on the long-delayed General Agreement on Tariffs and Trade have been successfully concluded, and the spectre of a trade war has dissipated; and oil prices are at historically low levels.

If Germany comes out of its recession, economic activity in France should begin to pick up this year, in line with the rest of Europe.

The author is chief economist, Banque Nationale de Paris



Forecast 94

Bright spots in the gloom

Yoshio Suzuki sees a possible end to the Japanese recession

In postwar Japan, the word "recession" has traditionally meant not a decrease in real gross *domestic product*, but a "growth recession", reflected in a lower growth rate. The present recession is different. Already in its third year, this recession is the longest *since 1945*, and GDP may contract in the year to March. Pessimists are forecasting another decline in GDP in the next fiscal year.

More than a year ago, personal consumption began to decline. This trend – unusual for a Japanese recession – was not caused by a drop in per*sonal income, since both* employment and wages were still increasing, and the unemployment rate currently stands at only 2.7 per cent, below the peak of 3.1 per cent registered in 1986, during the high-yen recession.

Instead it is the result of a decline in personal consump*tion after four years of aggres*sive buying of durables, such as television sets and cars, during the late 1980s. Spending patterns have also been affected by the decline in the value of assets, such as land and stock prices, and the uncertain economic outlook.

Even though this recession *has been worse than past ones*, it will really bite this year. Personal income could decline, and it is *feared that the* unemployment rate will exceed 3.1 per cent.

In previous recessions, there was in-house unemployment under Japan's life-time employment system, which ensured that people had jobs even if they had no meaningful work to do. This time, companies *may have to cut staff, in order* to reduce costs and improve profitability. This would have *a serious effect on consumer* confidence and incomes, causing personal consumption to fall further, and creating a vicious circle of continuing GDP decline.

Political uncertainty has also hit confidence. Last year, the Liberal Democratic party lost office for the first time in four decades. The new coalition government of Prime Minister Morihiro Hosokawa staked its *survival on two issues – political reform* and the settlement of the Gatt Uruguay Round, including the opening of Japan's rice market – and the economy was not at the top of its list of priorities.

The present political situation is confused, because the government is opposed not only by the LDP, but also by the Social Democratic party of Japan, formerly known as the Japan Socialist party, which is supposed to be a member of the government coalition. This awkward relationship within the government is delaying decisions on economic policy.

Ultimately, however, the government is likely to include in its next budget an income tax cut amounting to more than Y5 trillion (million million) and an increase in public works spending. If all goes according to plan, the income tax cut, which may be made retroactive to January 1 this year, will be equivalent to 20 per cent of average income taxes, or 2 per cent of personal disposable income, which should have a positive effect on consumption.

In the shorter-term, the tax cut will be financed by government bond issues. But the government plans to increase the country's consumption tax, the Japanese version of a value-added tax, from the present 3 per cent to 6 or 7 per cent after two years or so, by which time the economy should have strengthened.

Another encouraging sign for the Japanese economy this year is the value of the yen. Last year it appreciated sharply, directly affecting Japan's export industries, including the the automotive and electronics sectors – *industries that were already* under pressure because of the change in personal consumption patterns at home. In August, the yen almost topped Y100 to the dollar.

However, it has already receded to about Y108 to the dollar. And as there is a time lag between the appreciation of the yen and a decline in domestic prices of imported goods, consumers will have a lingering increase in their purchasing power.

The favourable turn in the yen's value has three causes. First, Japan's export industries have reacted to the strong yen by reducing domestic production and increasing production at overseas plants built during the high-yen phase of the late 1980s. As a result, the trade surplus has already begun to shrink in both volume and yen terms, and will continue to shrink in dollar terms from early this year.

Second, until August last year, interest rates in the US and Germany were falling faster than Japanese interest rates, meaning that money was drawn to Japan and the yen, causing the Japanese currency to appreciate.

Economic stagnation is expected to bring a further decline in Japanese interest rates, *while interest rates in* the US will rebound thanks to the improving pace of economic recovery. This will further ease the upward pressure on the yen.

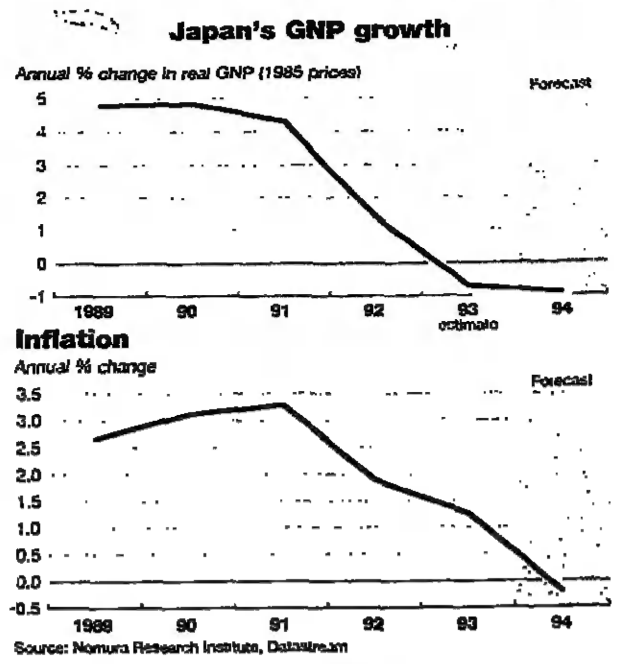
Third, US officials have realised that the strong yen has hindered Japan's economic recovery and not been in the interest of the US or the international economies. These officials, who were earlier this year keen to talk up the value of the yen, are unlikely to repeat their statements in the coming year.

Another positive turn for Japan is that the Hosokawa coalition is the first Japanese government to advocate voluntarily the deregulation of the economy, something that the US has long sought in the hope of reducing the current account surplus. The US will be carefully monitoring the Hosokawa government's ability to carry out this policy. The Advisory Panel for Economic Structural Reform, under the chairmanship of Gaishi Hiraiwa, leader of the Keidanren business federation, has submitted a report to Mr Hosokawa recommending the promotion of competition through deregulation.

But the successful implementation of medium-term economic reforms will depend on the Japanese economy's ability to avoid the more pessimistic of the economic scenarios this year, and return to a sustained growth path. The important factors will be the size and impact of the tax cut and the trend in the value of the yen.

Once the Japanese economy starts to recover, corporate earnings should improve *sharply thanks to companies'* restructuring over the past three years. If all goes well, capital spending will be revived, further boosting economic activity.

The author is chief counsellor, Nomura Research Institute, and a member of the Advisory Panel for Economic Structural Reform



LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL
Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

Taxpayers' money is squandered

From Mr Thomas Welsh.

Sir, Your leader, "Another fudge from Tokyo" (December 29), argues that the Japanese government should do to its taxpayers what the US government did to its own in bailing out the savings and loans associations. *"Enabling the commercial banks to recapitalise"* is another term used from time *to time for the same* dodge.

Taxpayers' money is taxpayers' money. It does not matter whether it is handed out in the form of "state assistance" or "cheap credit at the official discount rate". It still remains money extorted from taxpayers and squandered by politicians.

If, in writing about such things, the term "taxpayers' *money*" was *invariably* used, it is conceivable that, over time, it might dawn upon taxpayers what was happening, namely that their money was being misappropriated on a mind-boggling scale to bail out private institutions. As things stand, shareholders make money when banks declare profits, and taxpayers *foot the* bill when, every six years or so, banks lose their shareholders' shirts. The press does the public a disservice in failing to point out that "cheap credit at the official discount rate" is just one of the subterfuges resorted to by governments to conceal what they are up to.

Thomas Welsh,
21 Bede House,
Manorfields,
London SW15 3LT

Not a serious education option

From Mrs Alison Wolf.

Sir, John Authers informs us ("Vocational schooling urged for 14-year-olds", December 31) that government officials believe vocational options for non-academic 14-year-olds to be the solution to a "major national failing": lack of the high-class technical education provided by Britain's major competitors. Can they be seri*ous? Vocational courses for* low-achieving young people are certainly a common European option. They are also generally despised as "dustbin" courses, and have rapidly declining enrolments.

High-status, high-class technical education is something quite different. Specialised technical courses generally start much later than 14; and are difficult (and therefore respected). They also give entry to first-rate higher technical institutes of the type *Britain's polytechnics so disas*trously failed to become.

This sort of technical educa*tion is very expensive*, and requires long-term planning. Small wonder, then, that it never appears in the UK's constantly renewed lists of educational "reforms": or that bright English children continue to choose the most traditional of academic options.

Alison Wolf,
co-director,
International Centre for Research and Assessment,
Institute of Education,
University of London,
20 Bedford Way,
London WC1H 0AL

Lottery: a route to riches, and honours

From Mr Denis Vaughan.

Sir, The lottery for the people which Mr John Major, the prime minister, so heartily endorsed *is at risk*. Money which should go to the arts, sports and environment may *be so whittled down as to* become ridiculously small. This could be a betrayal of all that we and so many others have fought for.

The fundamental point about equity or debt capital for lotteries, which your editorial ("Charity lottery", December 20) and Richard Branson's letter (December 23) do not address is that the capital can be repaid within months of start-up.

Guy Simonis (British Columbia Lottery Corporation) is a leading lottery expert. On December 9 he outlined in a London seminar how his 20-year-old lottery now achieves the maximum gains from its $240 per capita per annum input: "We are freed at start-up from the obligation to pay profits immediately for some months. Therefore we could pay off suppliers without loans or advances. We didn't have to borrow money to pay the beneficiary. The enormous cash flow provided the financing we required. The bank found it a *silly arrangement*."

He also saves expenses by running his own facilities management system.

If the UK government and all the bidders adopt this simple wisdom, our lottery will be for the people and not for super-profiteers. The profit from handling £4bn or £5bn a year is a handsome stimulus for any operator and bank. The super-profits from equity capital do not enhance the image of those who propose them, and risk convincing the world that the government is not sincere in its aims to maximise funds to the good causes.

Denis Vaughan,
executive director,
The Lottery Promotion Company,
41 Floral Street,
London WC2E 9DG

From K I McLean.

Sir, R L Webb (Letters, January 1/2) is not at all alone in disliking the new plan for premium bond prizes and I agree entirely with his observations. It might have been better to leave premium bond prizes as being "little and often" as a counterbalance to the "lots but unlikely" winnings proposed for the national lottery, with the pools to cater for those who want a chance of either result.

K I McLean,
1 Ardrossan Avenue,
Camberley, Surrey GU15 1DD

From Mr Les Pook.

Sir, Perusal of the new year honours list, as with previous lists, reveals a number of names which *appear to have* been chosen at random. Formalising this by inclusion of honours as prizes in Britain's national lottery would do much to ensure its success.

Les Pook,
21 Woodside Road,
Sevenoaks, Kent TN13 3HF

Two-tier local authority structure more likely to offer coherence

From Mr A G Strickland.

Sir, In response to your editorial, "Local difficulties" (December 22), and Peter Mandelson's letter (December 30), I think evidence suggests a two-tier system can work best of all. The 39 English shire counties, along with their eight Welsh counterparts, provide the strategic dimension that is surely needed in local government. They can promote whole areas as a coherent economic entity, and work in partnership *to attract inward investment* with other agencies plus training and enterprise councils.

Mr Mandelson makes the point with regard to service provision that it must be close to the people. But it must be remembered that the personal services the shire counties provide (social services, education) are expensive, and need large populations to gain economies of scale. This is why the single-tier county borough system was replaced in 1974.

The current debate constantly refers to the argument *that districts should adopt* county services and that the county should be abolished. But *if this were to happen*, especially in the absence of a regional tier of government, the strategic dimension would be lost. Much better to publicise the services that each tier provides in simple fashion.

The current debate also has apparently assumed that while counties try to protect their interests, districts would do no such thing. The self-interest/preservation question is a double-edged sword: it should not be employed against the counties in isolation.

Finally, Mr Mandleson uses Cleveland as an example of a county that is unpopular. In the interests of balance, I feel compelled to point out that Cleveland is a rare example of a county with thin popular identity, in that it is an artificial construction, like Avon or Humberside. Others like Lancashire or Cheshire have no such problem.

A G Strickland,
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FINANCIAL TIMES

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Wednesday January 5 1994

Multi-media regulation

Following a year in [redacted] media markets have been [redacted] vulsed by [redacted] series of massive takeovers, the UK government has finally got round [redacted] reviewing [redacted] policy towards the [redacted] ing, newspaper [redacted] other [redacted] industries. One [redacted] not have to [redacted] swept up in multi-media mania to [redacted] the review [redacted] this week by Mr Peter Brooke, [redacted] national heritage secretary. [redacted] UK's [redacted] are hamstrung by a hotchpotch [redacted] have [redacted] adopted without a strategic overview.

Prime among [redacted] law preventing national newspaper [redacted] owning more than 20 per [redacted] ITV company [redacted] Newspaper proprietors such [redacted] Pearson, owner of the Financial Times, and [redacted] Newspa[redacted] Daily Mail's owner, have lobbied against [redacted] on [redacted] grounds [redacted] it prevents them taking advantage of synergies between the two industries.

Much of the talk [redacted] multi[redacted] fuzzy [redacted] shareholders could [redacted] if over-ambitious chief [redacted] on [redacted] spending sprees. Nevertheless, technological [redacted] opened [redacted] opportunities for [redacted] different parts [redacted] and new [redacted] of distributing [redacted] products. There is a danger [redacted] government restrictions could stop healthy [redacted] internationally competitive companies emerging in [redacted] area.

[redacted] lack [redacted] a comprehensive approach to media regulation has also created anomalies. For example, [redacted] being Britain's largest newspaper owner, Mr Rupert Mur[redacted] News Corporation [redacted] been [redacted] BSkyB, which [redacted] rapidly developing into [redacted] major force in broadcasting. This [redacted] because BSkyB, [redacted] is [redacted] shareholder, is not [redacted] UK broadcaster in terms [redacted] ownership rules.

The government's review will need to be wide-ranging if it is to avoid the piecemeal approach that has [redacted] its policy [redacted] In particular, it will [redacted] re-examine [redacted] preventing British Telecom, the UK's most highly capitalised company, providing entertainment over [redacted] network. Ministers should also [redacted] how [redacted] BBC [redacted] more fully exploit [redacted] brand, [redacted] privatisation [redacted] role to play.

In general, the [redacted] policy will be for the government to cut back regulation [redacted] leave business decisions [redacted] private enterprise. There is, however, an important caveat. Deregulation must [redacted] accompanied by [redacted] strong competition policy. Otherwise, [redacted] unhealthy concentration of ownership [redacted] already apparent in the newspaper industry could extend [redacted] other [redacted]

Devising [redacted] competi[redacted] policy [redacted] media [redacted] will be hard, [redacted] television and [redacted] are central to [redacted] political process. [redacted] of [redacted] when deciding [redacted] to stop [redacted] barons [redacted] support [redacted] party in elections [redacted] expanding [redacted] empires.

Although the Monopolies [redacted] Commission's indepen[redacted] from government provides something [redacted] buffer, [redacted] is [redacted] ideal. Referrals to it are not as [redacted] would be desirable, [redacted] proceedings are [redacted] transparent and ministers usually have the final [redacted] over what action [redacted] take. Building [redacted] into an effective instrument for combating media monopolisation should be an important objective of the review.

Workers' control

The proposed worker-shareholder deal at [redacted] (UAL), whereby the workforce will acquire majority control [redacted] company in exchange [redacted] worth of cost savings, has met with [redacted] scepticism. The financial distress [redacted] airline industry is due at [redacted] in part [redacted] the power of its [redacted] unions. UAL's workers may be prepared to give ground as part of [redacted] one-off transaction; whether they [redacted] so adaptable when they control the company may [redacted] another matter. Besides, worker control is scarcely a [redacted] concept. Barring a handful of [redacted] cases on both sides of the Atlantic, it has mostly been tried as a desperate last throw in struggling [redacted] such as shipbuilding [redacted] steel; and [redacted] record [redacted] the last [redacted] decades is correspondingly dismal.

[redacted] these are strange times in the world [redacted] capitalism, [redacted] strange remedies [redacted] be quickly [redacted] Leaving UAL's [redacted] aside, it [redacted] worth recalling that in the US, in particular, it [redacted] become commonplace [redacted] employers [redacted] preach [redacted] necessity [redacted] involving [redacted] workforce [redacted] closely in the enterprise. This may [redacted] be rhetoric, but is more [redacted] a matter [redacted] practical urgency. [redacted] the fast-moving [redacted] the key [redacted] lower [redacted] frequently the speed of [redacted] company's response to changes in markets or technology. Imposing change from above [redacted] hostile [redacted] apprehensive workforce takes too long. The [redacted] is [redacted] ideas pushed [redacted] below.

The [redacted] is that, for the workforce, [redacted] deal can prove one-sided. Commitment [redacted] required in [redacted] form [redacted] ideas and enthusiasm. Corresponding commitment from the owners in the [redacted] security is seldom on [redacted] of the most ardent [redacted] of worker [redacted] in [redacted] US [redacted] been among [redacted] sweeping job-cutters. In Japan, [redacted] system [redacted] reciprocity [redacted] still widely practised, whereby flexibility and enthusiasm [redacted] rewarded with [redacted] job for life. But [redacted] ultimately depends [redacted] Japanese companies growing [redacted] enough [redacted] new jobs [redacted] those displaced by the process [redacted] change. [redacted] Japanese [redacted] has [redacted] down along with the rest of the world, the model is under [redacted] for in [redacted] low-growth world, rigidity [redacted] numbers [redacted] no [redacted] than rigidity [redacted] function.

But [redacted] thinking behind the Jap[redacted] approach still holds good. One [redacted] like Toyota evolved a [redacted] and [redacted] was [redacted] in [redacted] early days it simply [redacted] not [redacted] an [redacted] passive [redacted] on [redacted] model. Many more companies [redacted] the world [redacted] appreciate [redacted] logic. In the impoverished climate [redacted] employers [redacted] the full energies [redacted] the [redacted] to survive. [redacted] question [redacted] how [redacted] energies [redacted] be [redacted]

This brings us [redacted] the [redacted] worker ownership. To the [redacted] UAL [redacted] product of desperation, it is likely to prove a bad example. But the [redacted] capital and labour [redacted] becoming increasingly hard [redacted] disentangle. Arguably, the standard corporate structure no longer [redacted] that. There is plenty of room [redacted] experiment.

Weasel words

The IRA is not ready for peace; last week's attacks show that. Yet Sinn Féin, the terrorists' political wing, is wriggling. Its president, Mr Gerry Adams, has sought refuge in confusion. He has made a series of contradictory [redacted] on the declaration signed by the Irish and British prime ministers at Downing Street before Christmas. So has Mr Martin McGuinness, another senior spokesman.

This [redacted] a measure of the strength of the Downing Street document. Its signatories, Mr Albert Reynolds and Mr John Major, offer nationalists a chance to fulfil their dream of a united Ireland, if a majority of the inhabitants [redacted] Ulster [redacted] If Sinn Fein wants to [redacted] part in the democratic process, the [redacted] has only to lay down [redacted] arms. That, in time, would lead to a fading away of the British military presence in Ulster – the "demilitarisation" that Mr Reynolds speaks of, using nationalist language to the consternation of unionists.

Linguistic wobbles aside, London and Dublin have so far kept their balance while addressing [redacted] respective constituencies. They have won international support, notably in Washington, by placing [redacted] on [redacted] of [redacted] democracy and self-[redacted] The world now [redacted] Britain [redacted] no [redacted] in [redacted] Ireland beyond protecting the right [redacted] inhabitants [redacted] determine [redacted] future.

Leaving aside some Paisley blather, the unionists [redacted] kept remarkably cool. Mr John Hume, leader [redacted] Democratic and Labour party, elected by nationalists, [redacted] rightly, that an end to IRA violence would be "one [redacted] greatest [redacted] moral cour[redacted] of this century". The [redacted] effect, in public [redacted] terms, [redacted] present [redacted] the IRA. It can [redacted] the violence, [redacted] thus [redacted] march through [redacted] Alternatively, it can reject [redacted] at the risk [redacted] political isolation.

Mr Major is right [redacted] allow more [redacted] He and Mr Reynolds must counter [redacted] propaganda with steady re-iteration of [redacted] Downing [redacted] principles, preferably in public [redacted] necessary through [redacted] "lines [redacted] communication" [redacted] by [redacted] ing the Hume-Adams agreement, [redacted] the inter-governmental [redacted] said to resemble. [redacted] to [redacted] pressure.

Balloon struggles to get airborne

Andrew Hill asks why Europe's single market has failed to take off, a year after its high-profile launch

O[redacted] year after barriers [redacted] trade [redacted] free [redacted] in the European Union [redacted] supposed to come down, many pioneers of [redacted] single [redacted] still waiting for Europe to [redacted] for business.

Mr Don Cameron, who [redacted] one of Britain's [redacted] manufacturers of hot-air balloons, has plenty of pioneering spirit, but he [redacted] running [redacted] of patience. For more than two years, he [redacted] been trying to break [redacted] the resistance of German technical regulators to the import [redacted] his balloons – or rather, the [redacted] cylinders [redacted] to inflate them. "It's been [redacted] nightmare," he [redacted] "I [redacted] fly them [redacted] Germany, but they can't be transported on the roads."

[redacted] Knud Buhl of the Danish bacon [redacted] meat council faces legal problems in a [redacted] down-to-earth area: he claims Germany and France [redacted] restricting imports [redacted] meat from uncastrated boars. "We're in [redacted] deadlock. [redacted] we [redacted] doing [redacted] fully legal under internal market rules, but illegal according [redacted] German law," [redacted] Mr Buhl. The European Commission is challenging the German rules in the Euro[redacted] Court [redacted] Justice, [redacted] in the meantime [redacted] Danish slaughterhouses [redacted] do [redacted] down production [redacted] judgment.

[redacted] happened to the single market [redacted] high-sounding pledge to free [redacted] movement of people, goods, capital and services [redacted] Europe?

On [redacted] it [redacted] still [redacted] good shape. On January 1, Finland, Sweden, Norway, [redacted] Iceland joined [redacted] market, creating [redacted] European Economic Area, [redacted] biggest multi[redacted] trading [redacted] in the world. All but the [redacted] Euro-sceptics acknowledge [redacted] it is, [redacted] EU leaders [redacted] December's Brus[redacted] summit, "a major [redacted] of the European economy". But since [redacted] celebratory [redacted] of January 1 1993, [redacted] political impetus behind the market [redacted] to have faded.

One problem is [redacted] market arrived at the same time as a deep economic recession in continental Europe. As a result, many compa[redacted] not strong enough to exploit [redacted] potential [redacted] single market, which [redacted] first tabled during the [redacted] prosperous mid-1980s.

[redacted] companies [redacted] claim [redacted] the single market [redacted] imposed addi[redacted] bureaucratic [redacted] and burdens, exacerbating the economic downturn. According to [redacted] survey published this week by KPMG, the UK accountancy firm, 48 per cent of British exporters [redacted] they have not gained from completion of the single market, claiming [redacted] increased bureaucracy has cancelled out its benefits. The main criticisms are levelled at the [redacted] regime for collecting and monitoring value added [redacted] on cross-border transactions.

Another problem [redacted] assessing the market [redacted] that [redacted] of the important legislative initiatives adopted by the member [redacted] have not yet [redacted] into force. Vocational qualifications achieved [redacted] one [redacted] ber [redacted] will [redacted] valid elsewhere in the EU until June. Insurance companies will have to wait [redacted] later this year [redacted] set [redacted] offices [redacted] policies [redacted] frontiers. Stockbrokers will not get [redacted] "single passport" to operate everywhere in Europe until 1996.

As for [redacted] surge [redacted] cross-border shopping, the sight of [redacted] struggling [redacted] to [redacted] fill their cars [redacted] cheaper alcohol represents [redacted] failure of the single market – the reluctance of member states [redacted] harmonise excise [redacted] – rather than [redacted] great success.

More seriously, the [redacted] of Mr Buhl and [redacted] Cameron claim [redacted] new rules of the market are not being properly enforced by [redacted] Commission [redacted] by member states. This [redacted] the main concern for the Commission, which has [redacted] gradually changing its role over the past year, from bulldozing through [redacted] legislation to enforcing [redacted] co-ordinating existing measures.

The change [redacted] was both necessary and politically prudent. By the end of 1992, the target for completion of the original single market plan, nearly [redacted] directives [redacted] regulations had been proposed by the Commission [redacted] six years. At [redacted] same time, grassroots [redacted] against "meddling [redacted] bureaucrats" had reached [redacted] climax, [redacted] strong opposition [redacted] European Community voiced through referendums [redacted] the Maastricht treaty [redacted] Denmark and France.

Luckily for the Commission, agreement [redacted] reached among member [redacted] on [redacted] of [redacted] original programme of legislation. Since January 1 1993, [redacted] Commission [redacted] fought shy of tabling new legislation; and high-profile Euro[redacted] Court [redacted] pursuing sluggish member [redacted] have been kept [redacted] a minimum. Just before Christmas, [redacted] Raniero Vanni d'Archirafi, who took [redacted] internal market [redacted] missioner [redacted] year [redacted] the Commission had managed [redacted] sort out [redacted] legal complaints against member states "by friendly agreement following discussion with national administrations".

The question for would-be pioneers of the single market is whether the Commission is [redacted] being too soft on member states. Only 115 out [redacted] 219 single market [redacted] translated into national legislation by member [redacted] implemented by everyone.

Mr [redacted] Brooke, European [redacted] keting [redacted] Price Waterhouse, [redacted] accountancy firm, says: "I [redacted] in policy [redacted] [the Commission] should set the overall goals and objectives [redacted] then [redacted] governments themselves get on with it. But then I [redacted] they have to do is [redacted] be much more ruthless with enforcement."

"[The EU] [redacted] very weak when [redacted] comes to enforcing its [redacted] member states," adds Mr Buhl, [redacted] the long wait [redacted] judg[redacted] Danish pig-meat [redacted]

If the Commission and member [redacted] fail to implement the legislative programme evenly [redacted] Europe, businesses fear that long-standing [redacted] trade will never be ironed out. That could in turn provoke new calls [redacted] protectionist [redacted] inside the single market, sapping [redacted] commercial strength of the trade zone.

In their defence, Brussels officials point out that they [redacted] still pursuing nearly 1,000 legal complaints against member states, and Mr Vanni d'Archirafi has promised "very [redacted] action" [redacted] ensure that existing legislation is implemented. In December, the Commission also proposed [redacted] member states [redacted] detailed "Strategic Programme", aimed at streamlining the operation of the single market, making it easier for [redacted] advantage of it, [redacted] complain if it goes wrong.

But the Commission itself [redacted] under fire for its fail[redacted] enforce the [redacted] basic principle of the 1992 programme: the [redacted] movement of people around the Union. Euro Citizen Action Service, [redacted] Europe-wide citizens' pressure group, has brought one European Court [redacted] against Brussels for not punishing member [redacted] that failed [redacted] passport checks at internal borders, and the European Parliament has brought another.

Independently, nine of [redacted] 12 EU members have promised [redacted] abolish passport controls from February 1. [redacted] critics of Brussels' diplomatic approach believe this deadline, like [redacted] before it, will [redacted] postponed, leaving the Commission short of ammunition with which to attack [redacted] others: Britain, Denmark and Ireland.

The Commission's [redacted] verdict on [redacted] grandest project [redacted] date, deliv[redacted] in [redacted] "Strategic Programme", [redacted] predictably upbeat: "The internal market [redacted] working." But [redacted] docu[redacted] admit that "it [redacted] and [redacted] improved in order to fulfil [redacted] promise".

Consumer groups, trade associations [redacted] small businesses [redacted] cautious. A year on, they say the market [redacted] working only for those with the determination [redacted] money to fight for their rights, and for those – citizens living [redacted] borders, multinational companies and international travellers – already used [redacted] dealing with European barriers. The benefits may take longer to trickle down to small companies, occasional tourists, balloon-makers and slaughterhouses.

Edward Mortimer

How to widen the circle

A bigger Nato should not be more threatening to Russia than German unity was

"A democratic [redacted] strong [redacted] would be the strongest guarantee of [redacted] and stability in Europe." If that had been said by the US or British or German foreign minister, it would be barely newsworthy. But coming as it does from the Polish foreign minister, Mr Andrzej Olechowski, during his recent visit to Germany, it should be considered an important contribution to the resolution of Europe's current security dilemma.

Accepting the expansion of Nato towards Russia's own frontier does not come easily to Russian political leaders, but there is no [redacted] to think it impossible. Many people [redacted] in [redacted] first [redacted] of [redacted] that the Soviet Union [redacted] then still was) [redacted] allow [redacted] united Germany to remain in Nato. But it [redacted] up doing [redacted] Why?

First, the [redacted] administration was single-mindedly determined to achieve that result, and made this [redacted] top foreign policy priority.

Second, the [redacted] German chancellor, [redacted] the strength of [redacted] resolve, became convinced that maintaining [redacted] membership [redacted] a condition for German unity rather than an obstacle [redacted] it, and acted accordingly.

Third, Soviet President Mikhail Gorbachev himself understood that, having once accepted the basic principle of the right of the East German population to decide its [redacted] future, he was ill-placed [redacted] impose conditions.

Finally, [redacted] the [redacted] German governments realised [redacted] Gorbachev [redacted] to be helped [redacted] unpalatable proposition to [redacted] Soviet establishment. Accordingly, they made sure that German unity [redacted] about as part of [redacted] series of changes with which Moscow was associated, and from which [redacted] Soviet Union, along with [redacted] rest of Europe, could expect [redacted] benefit.

Why was the united Germany's membership of Nato so important [redacted] the US? Because the alternative was West Germany's secession from Nato, which would have meant the effective demise of the alliance. The argument for further expansion of Nato, to include other central and east European countries, is less clear cut.

One US lobby, led by Republican senator Richard Lugar but including some influential people within the Clinton administration, has argued that failure [redacted] expand, or [redacted] least to address effectively [redacted] rity problems of central and eastern Europe, would be no less [redacted] the alliance in the medium term than the departure of West Germany would have been in [redacted] "Out of [redacted] or out of business" is this lobby's catchy slogan ("out of area" being Nato's jargon for [redacted] world beyond the territory of its existing member states).

The opposing view, associated particularly with the [redacted] deputy secretary of state, [redacted] Strobe Talbott, [redacted] that over-hasty enlargement itself [redacted] the greater threat to the alliance. It would dilute [redacted] mutual defence commitment of [redacted] members by extending it to fragile new democracies which [redacted] on not to [redacted] in ill-advised provocations. Above all, [redacted] would stimulate [redacted] nationalist backlash in Russia, so jeopardising the position of pro-western reformers and increasing the very danger of renewed Russian expansionism against which central [redacted] European states [redacted] seeking protection.

This second view has apparently come out on top in preparations for [redacted] week's Nato summit, and is reflected in the cautious fudge of the proposed "partnership for peace", which envisages greater co-operation between Nato and east European countries but [redacted] not give any clear security guarantees.

[redacted] Olechowski [redacted] rightly dissatisfied with that proposal, but his remark shows sensitivity to the thinking [redacted] it. Indeed he went further than the [redacted] pro-Russian western analysts in saying that "without [redacted] inclusion of a functioning democratic Russia" there could be no European security. In reality, Poland's first concern [redacted] find [redacted] of making [redacted] and the rest of Europe secure in the all too likely event [redacted] democracy in Russia fails – or ceases – to function.

Intellectually, the case for [redacted] enlargement would become [redacted] compelling *after* [redacted] failure of democracy in [redacted] and [redacted] a plausible Russian threat. The danger [redacted] that politically and militarily [redacted] might then [redacted] late. Western governments might [redacted] more reluctant to guarantee Poland's security if there [redacted] an imminent danger of having to implement [redacted] guarantee by coming to Poland's defence; and if they did so, they might not have the forces available [redacted] the right time and place [redacted] Poland fully.

Poland went through that experi[redacted] in 1939, and [redacted] no desire to repeat it. Poles do not [redacted] to wait for [redacted] to turn nasty. They want, in the homely phrase Chancellor Helmut Kohl used about German unity in [redacted] to "get the hay into the barn before the storm". They need to exploit the present benign phase in Russian policy (or retreat of Russian power) to forge ties with western Europe such [redacted] in future [redacted] western guarantee [redacted] Poland will [redacted] credible and indeed inevitable, because any future Russian attack on Poland would really be an attack on Europe itself.

[redacted] that can only be achieved if Poland and the other candidates for [redacted] membership, such as Hungary and [redacted] Czech Republic, make it clear, as Mr Olechowski is doing, [redacted] they [redacted] than anyone share [redacted] general European interest in the [redacted] of democracy and reform in Russia; [redacted] their first preference is for [redacted] European security system in which a democratic Russia would play [redacted] full part. Their membership of Nato, while clearly [redacted] insurance policy against things going wrong in Russia, should also be seen as [redacted] step towards Nato's transformation into a pan-European collective security system with Russia [redacted] a full member, if things go right.

OBSERVER

Dialling up a pop number

■ You [redacted] not yet have heard [redacted] Belgeonne; but it's not for [redacted] of [redacted] trying. Belgeonne [redacted] clever 30-year-old who had [redacted] spotted [redacted] UK boom in mobile phones. He [redacted] about [redacted] sell [redacted] mobile phone [redacted] around £1.5m. The [redacted] went for [redacted]

Belgeonne [redacted] tired of mobile communications and [redacted] making [redacted] bid to become [redacted] pop star. Well, actually, he always wanted to be [redacted] pop star but thought it [redacted] to [redacted] couple of million [redacted] to back his talents.

His band – Gone Tomorrow – [redacted] just splashed out [redacted] producing [redacted] copies of a CD single of the Louis Armstrong classic *Wonderful World*, his version having what [redacted] "the [redacted] feel of the band UB40".

Given the parlous [redacted] of the recording industry, might his next attempt [redacted] cover version of *Who [redacted] to [redacted] a millionaire?*.

Gargantuan gift

■ John Major [redacted] his Trollope; [redacted] has his [redacted] prime minister [redacted] given [redacted] nine-volume [redacted] of the works of the frequently indecent renaissance author Rabelais, [redacted] (late) Christmas present from his ministers.

Social affairs minister Simone Veil thought [redacted] the idea [redacted] Balladur's [redacted] ministers each coughed up FFr1,000 for [redacted] gift just [redacted] time for the beginning of [redacted] – the 500th anniversary of Rabelais' birth – [redacted] designated the Year of Rabelais in France. Whether the rather austere Balladur will get the jokes – or if indeed the joke is upon [redacted] – remains to be [redacted]

Learning curve

■ Shock, horror. Management Today, the flagship of Michael Heseltine's publishing empire, [redacted] appointed a [redacted] editor and he is *not* [redacted] journalist. Charles Skinner, 33, has been plucked [redacted] of 3i's corporate finance department to edit [redacted] magazine which [redacted] once worshipped by the great and the good of British industry.

To make matters worse, the [redacted] editor, Dennis Hackett, a veteran magazine man credited with spotting Tina Brown's editorial talents when he [redacted] relaunching Tatler, doesn't seem to have been [redacted] on the decision-making.

MT's publishing director, William Pecover, who was [redacted] Oxford at the same time [redacted] Skinner, [redacted] he picked a non-hack because the UK does not have a big pool of experienced business magazine journalists, [redacted] the US. Moreover, Skinner "understands [redacted] natural readers".

Those journalists [redacted] lecturing managers [redacted] how to run their business will be monitoring progress closely.

Cold turkey

■ Who said Chinese walls never work? Just as [redacted] Rothschild, the [redacted] merchant bank, [redacted] poised [redacted] win [redacted] contract to advise Turkey on [redacted] privatisation of its state-owned petroleum industry, the boys [redacted] Smith New Court, Rothschild's stockbroking affiliate, [redacted] to put out an analysis of [redacted] Turkish economy, under the gloomy title: "A plateful in [redacted] – [redacted] festivities over?"

The document was [redacted] with [redacted] rather unflattering cartoons [redacted] Tansu Çiller, Turkey's prime minister. Lucky old Chase [redacted] got [redacted] job.

Happy families

■ Television [redacted] rather [redacted] soap operas. So it's nice to see [redacted] old [redacted] in [redacted] ITV franchise [redacted] setting up shop together.

Janice Hughes, head [redacted] European media practice of consultants Booz Allen Hamilton, batted successfully for Michael Green's Carlton Television which has just completed its first year as London's weekday commercial TV station. Kip Meep, head of the media unit at consultants Coopers & Lybrand, [redacted] for Thames Television – the [redacted] to Carlton.

They [redacted] buried [redacted] hatchet and opened their own multi-media consultancy – Spectrum Strategy – thus avoiding any unnecessary bickering about [redacted] should appear first in the [redacted]

Government whip

■ No [redacted] John Patten, [redacted] education minister, [redacted] strong government; it seems [redacted] smack of it himself [redacted] than one occasion.

Thwarted by [redacted] European Court of Human [redacted] in his [redacted] to reintroduce caning as a schoolroom punishment, Patten [redacted] admits [redacted] "the Jesuits flogged me from time [redacted] time" while [redacted] schoolboy.

No, it was not for smoking behind [redacted] bike [redacted] or talking out of turn. Young Patten's offence [redacted] far more grave: "It started because I had difficulties with the proof [redacted] the second theorem, and it went on…"

Oversupply

■ Latest promo from the Institute [redacted] Economic Affairs, the think tank which claims [redacted] have provided Lady Thatcher with her best economic ideas. Buy three [redacted] by *The Top Economists*, which [redacted] IEA defines [redacted] Tim Congdon, Patrick Minford and Sir Alan Walters, and get them for half price. If that doesn't tempt you, try [redacted] IEA's extra-special offer – two-thirds off the collected [redacted] papers of its Nobel prize-winning economists.

Chats and char

■ [redacted] much for reducing the burden of the [redacted] on [redacted] poor old taxpayer; now [redacted] and biscuits. The Central Statistical [redacted] says [redacted] in 1993, journalists visiting the [redacted] to [redacted] official figures devoured 6,240 biscuits and 5,200 cups of coffee for only 192 releases. "It [redacted] our busiest year ever," [redacted] CSO. Bring back rationing…

FINANCIAL TIMES
Wednesday January 5 1994

Peace sunk in a pit of mistrust

Israelis and Palestinians appear to be playing a dangerous game of brinkmanship, writes Julian Ozanne

Israeli-Palestinian peace talks have slumped into a dangerous stalemate with the [illegible] of mutual mistrust, suspicion and misunderstanding. The two [illegible] are so [illegible] apart that they [illegible] only communicating intermittently by telephone and fax.

With implementation of the accord already delayed more than [illegible] and little prospect of [illegible] immediate breakthrough, [illegible] is [illegible] talk on both sides of [illegible] process falling apart.

At the heart of the dispute [illegible] a fundamental misunderstanding about the accord reached in [illegible] in Oslo and signed on the White House lawn in Washington last September.

Palestinians and Israelis still realise they have more to [illegible] than gain from allowing [illegible] process [illegible] fail; but both [illegible] a [illegible] to find a [illegible] of climbing out of the pit they have dug for themselves.

To reach agreement, after years of bloodshed, both [illegible] purposely left huge areas open to interpretation.

The accord [illegible] supposed [illegible] provide the Palestinians, [illegible] a five-year interim period, with "something more [illegible] autonomy in Gaza-Jericho but less than statehood". Between those [illegible] political poles lay a wide and murky grey [illegible].

From the beginning both [illegible] the agreement differently [illegible] their own sceptical constituencies. Mr Yassir Arafat, chairman of the Palestine Liberation Organisation, argued – in the [illegible] of widespread internal criticism [illegible] he had [illegible] out [illegible] Palestinian [illegible] – that the accord did lay the [illegible] of statehood.

Mr Yitzhak Rabin, Israeli prime minister, assured an Israeli public deeply concerned about security and [illegible] PLO's violent past, that the agreement did not concede a Palestinian [illegible].

A conflict [illegible] inevitable. [illegible] two [illegible] perceptions about the Oslo accord eventually [illegible] to [illegible] main obstacles to [illegible] agreement: control [illegible] borders [illegible] the [illegible] of Jericho.

For [illegible] Arafat [illegible] Mr Rabin the [illegible] principle [illegible] stake: how much sovereignty [illegible] Palestinians will exercise in Gaza-Jericho [illegible] once Israeli troops withdraw.

The PLO [illegible] rejected [illegible] compromise proposal by Israel, [illegible] by Israeli [illegible] "final offer" which must [illegible] accepted by [illegible] PLO [illegible] for further talks.

For Mr Arafat, Israel's border proposals [illegible] short of [illegible] sovereignty [illegible] wishes to exercise in [illegible] embryonic state. The PLO chairman wants four main changes: [illegible] police and [illegible] should [illegible] clearly present [illegible] the crossings; [illegible] of Gaza-Jericho [illegible] not have [illegible] be [illegible] or processed by Israelis except for [illegible] computer security check on information supplied by [illegible] from [illegible] distant terminal; there should be [illegible] international presence [illegible] border; [illegible] control of [illegible] leading [illegible] borders.

[illegible] the size of Jericho, [illegible] Arafat's main demand [illegible] that [illegible] should include [illegible] strip of land [illegible] the [illegible] – vital for its tourist and mineral potential and [illegible] any possible development of [illegible] separate entry point into Gaza-Jericho by ferry from Jordan.

Both [illegible] know that whatever [illegible] gained [illegible] conceded now cannot be reversed [illegible] later negotiations, due to begin within two years, [illegible] a permanent settlement.

"If Arafat doesn't [illegible] in [illegible] coming days [illegible] the original Oslo track it will be worthwhile for [illegible] government [illegible] take [illegible] out [illegible] the Oslo agreement and its meaning. Check whether Arafat [illegible] with whom [illegible] business, [illegible] where this process is leading," [illegible] Yoel Marcus, [illegible] leading Israeli commentator, [illegible] yesterday.

Exacerbating the stalemate is [illegible] Arafat's mercurial negotiating strategy. [illegible] deepening leadership crisis in the PLO and the calculation on both sides that the other will be [illegible] give in.

[illegible] Arafat has a long history of reneging on agreements and using oral promises or offers made by his senior lieutenants [illegible] extract compromises from negotiating partners which he can later reject.

The veteran [illegible] leader also [illegible] problem of building sufficient consensus [illegible] the faction-riven PLO and among Palestinians who already [illegible] Mr Arafat [illegible] surrendered too much for too little.

For [illegible] moment, each [illegible] is waiting for the other [illegible] wave [illegible] white flag. [illegible] believes [illegible] Arafat's waning support and internal pressures [illegible] force [illegible] give in.

Mr Arafat, for his part, believes rising domestic Israeli opposition, pro-Palestinian international sympathy, and [illegible] linkage of [illegible] Palestinian negotiations [illegible] progress in peace [illegible] between Israel and other Arab neighbours [illegible] force Mr Rabin to strike a deal.

For both men [illegible] is a dangerous [illegible] of brinkmanship whose ultimate winner [illegible] neither Mr Arafat nor Mr [illegible] opponents of peace on both sides.

Yeltsin publishes decree over voucher privatisation

By Leyla Boulton in [illegible]

Russian President [illegible] Yeltsin published [illegible] decree yesterday aiming to conclude [illegible] voucher privatisation programme by July, amid increasing fears over the adequacy of protection for small investors.

In what [illegible] investment fund [illegible] predicted would turn into a "series of loud scandals over [illegible] next six months", Russian [illegible] face growing risks [illegible] country's weakly regulated [illegible] markets.

Every night, television viewers – already confused on how to invest privatisation vouchers – face a deluge of advertisements [illegible] investment funds licensed to invest in [illegible] broad portfolio of companies [illegible] behalf of voucher holders. Yesterday, MMM-Invest promised [illegible] turn vouchers into "gold", saying its portfolio of shares had increased in value 82.7 times. Another, Neft-Almaz-Invest (literally, Oil-Diamond-Invest) promised to pay an annual dividend of [illegible] per cent.

But one fund manager, Mr Vladimir Koshelev, said last night his fund, called Programma Privatisatsiya, would [illegible] paying any dividends [illegible] year, and that other funds should not [illegible] making promises of big payouts.

But Mr Koshelev sees nothing wrong with [illegible] own fund's TV ad – claiming European Community endorsement [illegible] it had [illegible] given [illegible] Euromarket trophy. Checks by [illegible] Times yesterday revealed that this award [illegible] granted to [illegible] paying guests at [illegible] couple seminar [illegible] in Brussels last [illegible] by [illegible] private organisation called the European Market Research Centre.

European Union officials made clear yesterday that this award could not confer Commission endorsement.

Mr Yeltsin's decree outlines which categories of enterprise can [illegible] privatised and provides new benefits for the investment funds, exempting the [illegible] from paying [illegible] on dividend income.

[illegible] extends to all manner of financial services. After [illegible] least two critical newspaper reports, the central [illegible] last week broadcast a [illegible] warning investors [illegible] away from the GMM investment trust, [illegible] has vaunted [illegible] registration to [illegible] its attraction.

Last night, GMM issued its own [illegible] release, the contents of which were also broadcast. However, it only denied newspaper allegations that it [illegible] funded [illegible] neo-fascist Liberal Democratic party of [illegible] Vladimir Zhirinovsky – not mentioning the central bank's [illegible] that [illegible] had no licence to conduct its banking operations.

Danes plan subsidies for home helps

By Hilary [illegible] in Copenhagen

The Danish government is [illegible] subsidise businesses supplying domestic [illegible] by about $8.8 an hour, in [illegible] radical [illegible] to reactivate a labour market hit by very high taxes.

Consumers of personal services, such as [illegible] cleaning, cooking and gardening, have largely [illegible] to [illegible] black market in Denmark, [illegible] of [illegible] taxes [illegible] value added tax – [illegible] at 25 per [illegible] is the highest in the European Union.

[illegible] put [illegible] services, on [illegible] VAT [illegible] charged, out of the reach of [illegible] with an hour [illegible] domestic cleaning costing the equivalent of three hours of net pay for an average wage earner.

If every household bought two hours of domestic services a week, the government says, this would produce 10,000 [illegible] jobs.

[illegible] subsidy, to [illegible] paid to businesses supplying [illegible] services, will [illegible] to DKr65 an hour.

This [illegible] with black-market rates [illegible] domestic services of about DKr50-60 an [illegible] and legal [illegible] vary [illegible] about [illegible] to two or three [illegible] that figure.

[illegible] far about [illegible] firms, mostly one or two-person businesses [illegible] have registered [illegible] the scheme which will run [illegible] an [illegible] three [illegible] with [illegible] budget of DKr1bn for 1994.

Bank of America settles UK claim

Continued from [illegible] 1

trustees said they would continue to [illegible] balance of the funds plus interest from Credit Suisse.

The writ also names Invesco MIM, Lehman Brothers International and Capel-Cure Myers Capital Management and seeks [illegible] of which roughly [illegible] relates [illegible] alleged [illegible] have been passed [illegible] Robert Maxwell's private interests by the fund managers.

[illegible] other £150m [illegible] negligence charges for failing to inform the [illegible] of improper activities. That [illegible] scheduled [illegible] court [illegible] January 25.

[illegible] Colin Cornwell, chairman of the [illegible] Group Pension Trustees, said [illegible] hoped the Bank of America settlement would [illegible] others [illegible] seek a similar solution.

"I think it [illegible] commercially," he said, noting that the [illegible] and adverse publicity of a lengthy public trial [illegible] likely to [illegible] damaging to [illegible] financial institutions.

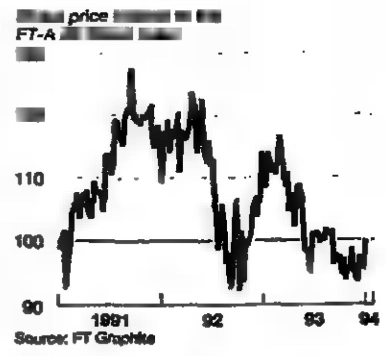
Yesterday, other financial institutions involved insisted [illegible] Bank of America [illegible] had [illegible] bearing [illegible] cases.

THE LEX COLUMN

Capital connections

FT-SE Index: 3408.5 (-9.9)

Williams Holdings



Source: FT Graphite

If the multimedia hype continues, phone company executives may soon have [illegible] stop talking telephone [illegible] bers and start spending them. MCI's announcement yesterday of $20bn-worth of strategic plans [illegible] mostly into the [illegible] category – [illegible] investment in long distance super-highways and local capacity will [illegible] phased, shared with partners and is partly an upgrading of existing facilities.

The gambit is also politically inspired: MCI [illegible] cut [illegible] amount it pays local phone companies for [illegible] final connection [illegible] consumers, [illegible] threatening to compete with [illegible] useful spur.

Still, [illegible] with [illegible] rhetoric stripped away, it does point towards [illegible] high capital investment that phone companies will need. AT&T and MCI may well [illegible] long distance traffic [illegible] compete for local calls. While [illegible] investment would be costly, there [illegible] little doubt that the Baby Bells' monopoly margins could be cut. That, however, would probably prompt the regulator [illegible] open the US long distance market to local companies, increasing competition [illegible] cutting margins [illegible] too.

Several expensive fibre-optic super-highways may be built, providing [illegible] US with vast capacity. As such systems could carry almost limitless traffic, phone companies will struggle to avoid prices falling to commodity levels.

Some value-added services will help maintain margins, [illegible] if video conferencing becomes [illegible] cheap [illegible] using the fax, network operators will benefit from the increased [illegible] of their systems. Yet phone companies [illegible] be relying [illegible] lower prices stimulating demand in order [illegible] recoup [illegible] of their capital spending.

MCI's strategy is a sensible [illegible] the development of real competition in US telecoms, but shareholders may yet view the old cosy cartel with nostalgia.

Williams Holdings

On its own, the acquisition of Corbin & Russwin, the US locksmith, will hardly transform Williams. Yet the [illegible] deal, completed on new year's eve, brings the group's acquisitions for last year to nearly £140m. Taken together with the [illegible] of [illegible] engineering businesses, [illegible] thus seems less trapped by its balance sheet than some of its critics have claimed. Though sale of the electronics businesses [illegible] Fairey bridge [illegible] have to wait, the group has made progress in adjusting its focus on [illegible] limited [illegible] of businesses with a reasonable strategic fit. Corbin, for example, will double Williams's share of [illegible] commercial lock market [illegible] per cent, creating [illegible] stronger [illegible] which [illegible] attack the market leader, Ingersoll-Rand.

In [illegible] final quarter of [illegible] Williams's shares outperformed [illegible] by 10 per [illegible] and BTR by [illegible] cent. [illegible] relative re-rating [illegible] sarily [illegible] Williams [illegible] now relax. The Corbin acquisition will both absorb cash and involve a goodwill [illegible] of [illegible] £30m, [illegible] that gearing will rise to 60 per cent. Williams may rail against those on [illegible] Accounting [illegible] who still believe goodwill should [illegible] written off. [illegible] with eight times interest [illegible] such gearing leaves little leeway for acquisitions to complete [illegible] transformation process. It will help if [illegible] company's full-year figures show [illegible] cash generation [illegible] improved [illegible] of acquisition provisions [illegible] down.

Media ownership

The possible relaxation of government regulations [illegible] media ownership promises [illegible] keep [illegible] City's mergers and acquisitions merchants busy for years [illegible] come. If protected media assets [illegible] on to the auction [illegible] following the government's review, a wholesale restructuring of [illegible] industry will naturally result. Cross-border mergers could become fashionable along [illegible] lines of the successful merger of Reed International and Elsevier. Companies from other industries may also be keen to enter the media game. [illegible] for example, will be itching to explore multi-media possibilities given [illegible] a chance. US telephone operators are already showing [illegible] way.

Newspaper [illegible] will surely press ahead with their plans [illegible] diversify into television. Whether buying Channel [illegible] franchises proves the best [illegible] of doing [illegible] however, is [illegible]. Newspaper groups [illegible] find [illegible] hard to justify the going rate for [illegible] vision franchises since they could not derive the [illegible] available [illegible] other television operators. Moreover, deregulation could prove a two-way street. TV contractors could be just [illegible] keen [illegible] expand their media [illegible] in regional newspapers.

All [illegible] thrills may [illegible] too late for LWT's shareholders, who must [illegible] decide on the merits of Granada's existing bid. But [illegible] is clear that the re-rating [illegible] the television [illegible] which stemmed from [illegible] current [illegible] of [illegible] speculation [illegible] unlikely to abate [illegible] bids [illegible] resolved.

Eurotunnel

The market clearly [illegible] all news [illegible] good [illegible] for Eurotunnel as opening day looms. Following [illegible] of reassuring developments, yesterday's announcement [illegible] Eurotunnel's leading banks had approved its [illegible] funding plan helped prompt [illegible] further [illegible] rise [illegible] sterling units. The official publication of Eurotunnel's fare structure next week will [illegible] provoke [illegible] further [illegible] of excitement.

The resolution [illegible] remaining [illegible] ries surrounding [illegible] project's construction phase certainly provides [illegible] encouraging backdrop as Eurotunnel [illegible] raise [illegible] further [illegible] spring. [illegible] rights [illegible] prospectus will make intriguing reading now that the scale of [illegible] operational challenges [illegible] becoming clearer.

Ferry operators estimate [illegible] generated by freight and passenger services [illegible] duty free sales on the short ferry [illegible] UK and mainland Europe amount to £600m [illegible] year. That [illegible] about equivalent [illegible] annual interest payments Eurotunnel will have [illegible] service [illegible] debt it will have [illegible] into [illegible] project. Eurotunnel will thus [illegible] to rely on expanding the cross-Channel market by drawing [illegible] from longer ferry [illegible] and airlines. To [illegible] half-way [illegible] return, its shareholders must [illegible] hoping [illegible] it will win [illegible] no-one predicted.

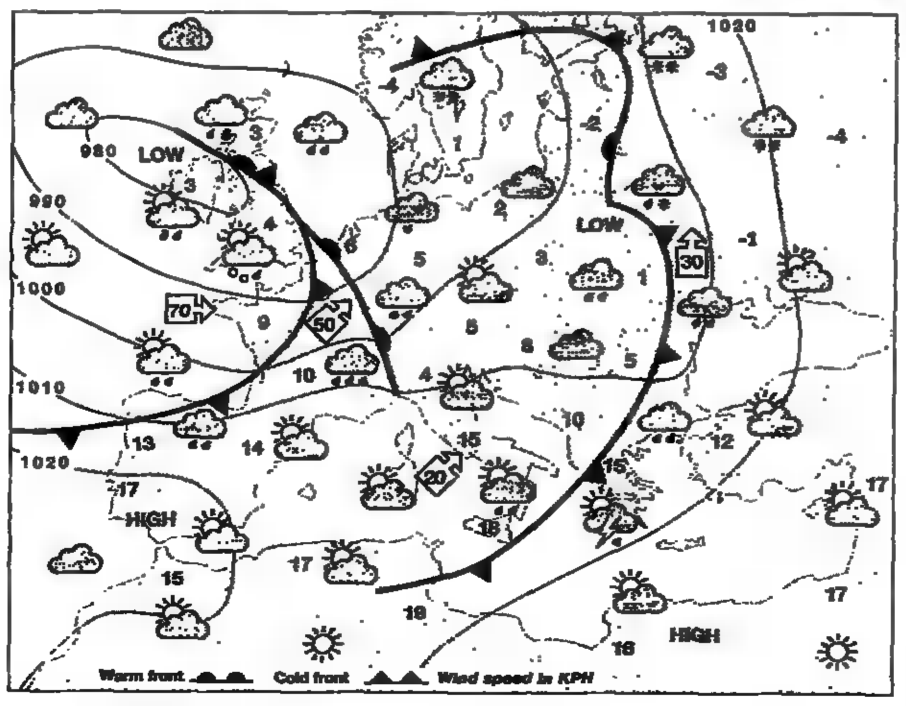
FT WEATHER GUIDE

Europe today

Most [illegible] Europe will continue unsettled. [illegible] major [illegible] system will move [illegible] France, [illegible] British [illegible] and Belgium, its [illegible] rain spreading [illegible] France, northern Germany [illegible] northern Ireland. [illegible] will [illegible] rain [illegible] and northern Ireland will [illegible] especially on higher ground. [illegible] regions will [illegible] expected [illegible] and [illegible] Spain, [illegible] Italy [illegible] and Sardinia. [illegible] Europe will [illegible] mostly cloudy with patches of rain. There will be some snow in northern regions, especially in Russia, [illegible] central [illegible] will stay [illegible]

Five-day forecast

Low [illegible] will [illegible] the [illegible] Isles, [illegible] North [illegible] and its adjacent [illegible] will develop [illegible] northern Spain, generating [illegible] over most [illegible] the Iberian peninsula. The Alps [illegible] experience [illegible] with wintry [illegible] confined to [illegible] and [illegible] will [illegible] mild [illegible] sunny.



Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

TODAY'S TEMPERATURES

	Maximum		Belfast	sleet	3	Cardiff	shower	7	[illegible]	cloudy	6	Malta	cloudy	19	Rio	sun	29
		Celsius	Belgrade	fair	10	Chicago	cloudy	-8	Geneva	rain	[illegible]	Manchester	sleet	4	Riyadh	sun	25
Abu Dhabi	sun	26	Berlin	cloudy	5	Cologne	rain	5	[illegible]	fair	[illegible]	Manila	fair	30	Rome	sun	15
Accra	sun	32	Bermuda	fair	18	D' Salaam	shower	30	Glasgow	sleet	[illegible]	Melbourne	fair	19	S. Frsco	fair	11
Algiers	fair	17	Bogota	fair	21	Dakar	sun	31	Hamburg	sleet	[illegible]	Mexico City	sun	18	Seoul	fair	4
Amsterdam	rain	5	Bombay	sun	32	Dallas	windy	23	[illegible]	snow	-3	Miami	sun	17	Singapore	shower	29
Athens	fair	18	Brussels	rain	7	Delhi	sun	28	Hong Kong	cloudy	[illegible]	Milan	fair	4	Stockholm	snow	1
B. Aires	sun	29	Budapest	fair	8	Dubai	sun	26	Honolulu	fair	[illegible]	Montreal	snow	-18	Strasbourg	rain	8
B.ham	sleet	4	C.hagen	sleet	3	Dublin	shower	5	[illegible]	fair	[illegible]	Moscow	snow	-4	Sydney	sun	29
Bangkok	fair	34	Cairo	fair	17	Dubrovnik	fair	14	Jersey	windy	[illegible]	Munich	fair	6	Tangier	sun	15
Barcelona	fair	14	Cape Town	sun	27	Edinburgh	rain	3	Karachi	fair	[illegible]	Nairobi	cloudy	27	Tel Aviv	fair	17
Beijing	fair	4	Caracas	sun	27	Faro	fair	15	Kuwait	sun	[illegible]	Naples	fair	15	Tokyo	fair	9
									L. Angeles	sun	[illegible]	Nassau	sun	21	Toronto	fair	-13
									Las Palmas	fair	[illegible]	New York	cloudy	-1	Tunis	fair	18
									Lima	cloudy	25	Nice	cloudy	12	Vancouver	shower	6
									Lisbon	shower	[illegible]	Nicosia	shower	17	Venice	sun	8
									London	rain	[illegible]	Oslo	snow	-4	Vienna	fair	8
									Lux.bourg	rain	4	Paris	rain	10	Warsaw	fog	1
									Lyon	rain	10	Perth	fair	28	Washington	cloudy	1
									Madeira	fair	[illegible]	Prague	fair	6	Wellington	cloudy	26
									Madrid	fair	[illegible]	Rangoon	fair	33	Winnipeg	fair	-20
									Majorca	sun	[illegible]	Reykjavik	cloudy	0	Zurich	rain	6

FINANCIAL TIMES
COMPANIES & MARKETS
Wednesday January 5 1994

IN BRIEF

Eurotunnel rises on extra funds

Shares in Eurotunnel, the company which will operate the Channel tunnel, rose 20p to 630p yesterday on news that it had obtained approval from its banks to raise an extra £1bn ($1.48bn) in funding. The agreement clears the way for it to go ahead with detailed negotiations on a further £500m of bank loans and for a planned £500m rights issue. Page 18; Lex, Page 12

No bonus for Disney chairman
Mr Michael Eisner, chairman of Walt Disney, collected no bonus in 1993 for the first time in almost 10 years as head of the Hollywood company. The downturn meant the company failed to meet the financial targets necessary to trigger Mr Eisner's bonus scheme. In 1992, Mr Eisner's bonus was $6.7m. Page 14

Riding to battle in a mini-van
Ford Motor's new Windstar mini-van, to be unveiled in Detroit this week, poses the most serious threat yet to rival Chrysler's hold on this fast-growing and highly profitable segment of the US vehicle market. Page 15

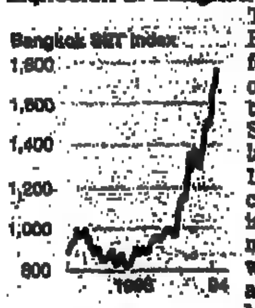
EFM goes west
Edinburgh Fund Managers, the Scotland-based fund management company, is establishing a venture in Atlanta, Georgia to market its investment services to the US. Page [illegible]

Pentland buys Ellesse
[illegible] Group, the cash-rich consumer brands company, yesterday paid L50.6bn ($29m) for 90 per cent of Ellesse, the Italian sports goods company. Pentland has distributed [illegible] clothing in the UK for 12 years. Page 18

Gatt gaffe

The General Agreement on Tariffs and Trade settlement has been presented as the answer to all the world's food problems. However, issues remain including the safety of goods to be traded between one country and another. Sex change symptoms in cattle, particularly in Italy, were alleged to have been caused by the improper use of hormones. Page 20

Explosion in Bangkok



The explosion in the Bangkok stock market's fourth quarter continued over Christmas and the new year, with the Stock Exchange of Thailand index surging to 1,753.73, up 4.21 per cent yesterday. This is a far cry from the mid-summer doldrums, when the index hovered above the 800 level. Most brokers think the weight of money available to the market is sufficient to carry equities past any minor short-term corrections. Back Page

Companies in this issue

Market Statistics

Chief price changes yesterday

FRANKFURT (DM)				PARIS (FFr)			
Rises				Rises			
DLW	505	+	31	Bouygues	[illegible]	+	22
Zanders Feinpap	280	+	25	EBF	[illegible]	+	31
[illegible]				GTM-Entrepose	[illegible]	+	22
Aslo Prf	960	+	30	Imetal	[illegible]	+	28
Linde	948	−	19	Radiotechn	[illegible]	+	18
Porsche	750	−	20	Falls			
Wella Prf.	840	−	10	Bancaire Cie	581	−	[illegible]
NEW YORK ($)				TOKYO (Yen)			
Rises				Rises			
[illegible]	91	+	1¼	Daikaya	800	+	70
Chrysler	55¾	+	2	Japan Digital	3480	+	200
Eastman Kodak	46¾	+	1½	Nissan Diesel	366	+	27
Gen Motors	58¼	+	1¼	Suzuki Motor	1110	+	60
Falls				Falls			
Allied Signal	79½	−	1½	Nippon Chem	619	−	30
Woolworth	24¾	−	1⅛	Sse-Com	120	−	20

New York prices at 12.30.

LONDON (Pence)							
Rises				Pronetlink	388	+	24
Bakyrchik	389	+	60	Pittards	70	+	8
Baroque Crisps	67	+	11	Scholes	187	+	22
CIA	382	+	40	Tiphook	66	+	7
Colorvision	102	+	11	Trafalgar Hse	107½xd	+	15
Edinburgh Oil&G	37	+	4	Virtuality	357	+	26
Enterprise Comp	34	+	2½	Yorks-Tyne-T TV	174	+	18
Europe Energy	35	+	4½	Falls			
Eurotunnel Uts	630	+	20	BTR	356	−	15
Ex Co Leads	41	+	4	ICI	786	−	12
Fairline Boats	330	+	30	Lloyds Chems	381	−	11
Hi-Tec Sports	80	+	7	Warburg (SG)	908	−	23
Monarch Res	227	+	22				
OMI	62	+	6				

Metallgesellschaft outlines survival

By Christopher Parkes in Frankfurt

The [illegible] management at Metallgesellschaft, the financially [illegible] metals and engineering conglomerate, [illegible] outline its survival plans this [illegible] creditor banks.

Bankers said yesterday they expected to be asked to delay calling in their loans and to allow a 90-day breathing [illegible] in [illegible] the plans could [illegible] refined and put into operation.

The 40 to 50 banks [illegible] told the [illegible] of the losses incurred by the German group's [illegible] subsidiary, MG Corp, on the [illegible] York oil futures market. The losses, independently estimated at around DM1bn [illegible] month, precipitated the crisis and the sacking or demotion of several senior [illegible]tives, including the chairman, Mr Heinz Schimmelbusch.

Bankers [illegible] today's meeting, which was originally planned for next week, [illegible] they were [illegible] only yesterday morning to confirm the balances on their Metallgesellschaft [illegible]. "They [illegible] have done that a week ago," one said yesterday.

Despite earlier suggestions [illegible] some creditors [illegible] considering declaring the [illegible] in default, optimism [illegible] that there was "the prospect of a viable rump" emerging from the crisis.

Lenders [illegible] keen to hear which of the group's 260 [illegible]iaries were to be [illegible] off, [illegible] well [illegible] the scale and handling of an expected rights issue [illegible] "shore up its depleted net worth", [illegible] banker [illegible].

Peripheral creditors were [illegible]cerned that a moratorium should [illegible] agreed, [illegible] avoid the possibility that Deutsche Bank [illegible] Dresdner Bank, both [illegible] and main lenders, might gain [illegible]rity over [illegible] in prime assets, leaving them "out in [illegible] cold".

Both [illegible] quick [illegible] in [illegible] lines [illegible] news [illegible] the [illegible] York oil futures [illegible] emerged. A week later, the Metallgesellschaft supervisory board, chaired by Mr Ronaldo Schmitz, a Deutsche Bank director, shook [illegible] the management claiming the supervisory board had [illegible] been kept properly informed.

Mr Schimmelbusch [illegible] replaced by Mr Kajo Neukirchen, a hardened restructuring expert well-known to Deutsche. [illegible] has been joined by Mr [illegible] Mertens, who filled the finance directorship [illegible] by the sacking [illegible] Mr Meinhard Forster. Mr Mer[illegible] previously [illegible] chief at Hoesch, the steel and engineering group, during Mr Neukirchen's time as chairman there.

Metallgesellschaft has estimated net short-term obligations [illegible] DM8bn, [illegible] by a spokesman as "not unusual" for a com[illegible] deriving [illegible] its annual DM27bn [illegible] from trading.

New market measures start to converge

By Peter Martin, Financial Editor

A flurry of [illegible] equity [illegible] launched in world [illegible]. This [illegible] alone, [illegible] is a [illegible] index for the Amsterdam [illegible] Exchange [illegible] in Germany a 167-share [illegible] of [illegible] Frankfurter Allgemeine Zeitung's long-running [illegible] index.

Increasingly, indices look [illegible]. Most [illegible] adopting [illegible] capitalisation-weighted approach, which [illegible] theoretically [illegible] harder [illegible] manipulate. This [illegible] futures based on [illegible] indices [illegible] accurately [illegible] the underlying [illegible] market. [illegible] with historical quirks – [illegible] as [illegible] unweighted Nikkei 225 index, heavily influenced by moribund companies – are too easily manipulated.

[illegible] still enough differences [illegible] major [illegible] to [illegible] unwary. Take the [illegible] Amsterdam EOE [illegible] former European Options Exchange index newly adopted by the Amsterdam Stock Exchange [illegible] replace the [illegible] Tendency index. From February 18 it replaces [illegible] weightings with capitalisation weightings, but there will be a [illegible] per [illegible] cap applied [illegible] Royal Dutch Petroleum and Unilever, which would [illegible] up nearly half the index between them.

The main German index, the DAX, [illegible] unusual because [illegible] basic [illegible] an investor's [illegible] return – [illegible] just [illegible] share price appreciation [illegible] also [illegible] dividends. The [illegible] newspaper [illegible] adding a [illegible] type of index, the FAZ-Performance-Index, [illegible] its more conventional capital-value [illegible] 100 index. The DAX [illegible] publishes a calculation based on [illegible] late-afternoon [illegible] of [illegible] trading system, [illegible] well [illegible] the earlier close [illegible] the physical market.

France, like the London [illegible]ket, [illegible] has a consistent [illegible] indices. [illegible] CAC-40 index, [illegible] indicator, [illegible] a subset of the new SBF 120 index, soon [illegible] be calculated in real time. It, in turn, is a subset of the SBF 250, which replaces the old CAC General index.

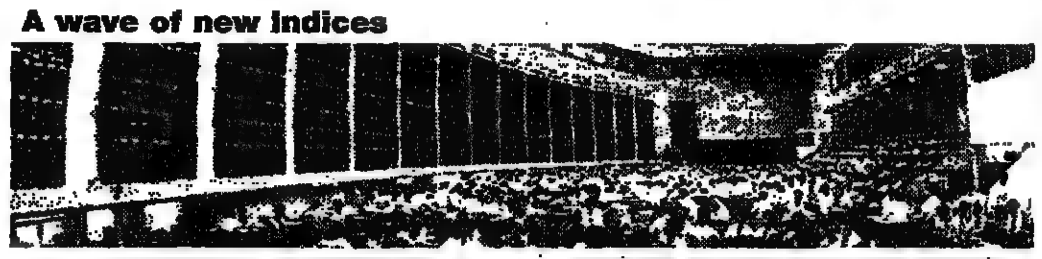
Italy's new Mibtel index, which now covers all 152 [illegible] traded [illegible] Milan's electronic system, is rebased to [illegible]. This used to be common in [illegible]tal Europe, but has largely been [illegible] makes long-run comparisons harder.

Canada's TSE 100, launched last year, [illegible] as its key criterion a company's float capitalisation: [illegible] value of [illegible] portion of the equity that is available [illegible] trading. Many big [illegible] companies have [illegible] portions of stock in [illegible] hands of controlling investors. This [illegible] excluded [illegible] the purposes [illegible] selecting [illegible] and calculating weighting.

Finally, today [illegible] publication [illegible] the new FT-SE Actuaries All-Share industry [illegible]tors. [illegible] is [illegible] relaunch day for the FT Gold [illegible] index, formerly of [illegible] African companies. It [illegible] covers 34 [illegible] producers worldwide. [illegible] figures will [illegible] published weekly during January, with daily publi[illegible] starting in February.

Gold Mines index, Page 22

A wave of new indices



Country	Index	No. of stocks	
Canada	Toronto SE 100	100	Top 100 float-cap-weighted stocks from 150 most active
France	SBF 120/250 indices	120/250	120 will be real time, 250 is end of day
Germany	FAZ-Performance-Index IBIS/DAX	167 30	[illegible] of FAZ 100, [illegible] New afternoon calculation of standard German index
Italy	Mibtel	152	Every 15 mins, starts at 10,000 every year
Japan	Nikkei 300	300	Cap-weighted; intended to replace Nikkei 225 as [illegible]
Netherlands	Amsterdam EOE Index (AEX)	[illegible]	To be cap weighted, 10% ceiling on Royal Dutch, Unilever. Currently only 24 stocks
World	FT Gold Mines Index	34	Relaunched this year. Now covers all big gold [illegible]

Williams buys US lockmaker for $80m

By Peggy Hollinger in London

Williams Holdings yesterday [illegible] in the [illegible] security [illegible] with the $80m purchase of a commercial locks manufacturer, [illegible] Russwin.

The deal, Williams' largest acquisition since [illegible] purchase [illegible] Valor in 1991, will propel [illegible] group into the number two position [illegible] commer[illegible] in the US, after Inger[illegible] Rand. Industry sources esti[illegible] will have 24 [illegible] cent [illegible] an annual market worth roughly [illegible], while Ingersoll Rand is thought to have [illegible] cent.

Williams is paying cash [illegible] buy the Corbin [illegible] Russwin architectural hardware business from [illegible] Decker.

Corbin and Russwin claims roughly 10 [illegible] of [illegible] builders' hardware market in the US, supplying cylinder and mortice locks [illegible] commercial customers such [illegible] hospitals. Black [illegible] Decker is retaining the retail business which supplies [illegible] domestic [illegible].

Corbin & Russwin [illegible] been rationalised in the past two years and achieved profits of [illegible] on sales of $78m in [illegible] after heavy restructuring charges. Further charges [illegible] expected as [illegible] business is integrated with Yale in the US, but Williams maintains the acquisition will not dilute earnings.

The deal is expected to increase Williams' year-end gearing from [illegible] per [illegible] in December 1992 to roughly [illegible] per cent. However, Mr Nigel Rudd, [illegible], said he was comfortable with the increase. Indeed, given Williams' spread of business [illegible] in long-term borrowing facilities, he was prepared [illegible] see gearing rise [illegible] as much as 100 per cent if the right acquisitions presented themselves.

[illegible] group had nothing in [illegible] sights, but Williams would eventually be looking for acquisitions [illegible] expand the security division in Europe, Mr Rudd said.

The Yale [illegible] in the US had [illegible] focused, until now, on door-closing devices. The deal brought Yale back into locks, for which [illegible] was [illegible] widely known in Europe.

Worldwide annual sales [illegible] Yale security division would be about $300m after the acquisition, two-thirds of which would be in the US. The acquisition's [illegible] completion are expected [illegible] be $35m.

Background, Page 17;
Lex, Page 14

French property bank fixes rescue

By John [illegible] in Paris

Le Comptoir des Entrepreneurs, the French property bank, has reached agreement with [illegible] principal [illegible] on a rescue plan which involves the sale of FFr9bn ($1.5bn) [illegible] credits and non-performing [illegible] a newly created company.

The plan will strengthen [illegible] balance sheet [illegible] CDE, one [illegible] the most serious victims of the downturn [illegible] the French property market. Provisions against non-performing property loans resulted in net losses [illegible] in the first half of [illegible], compared [illegible] profits of FFr23.7m in the first six months [illegible] 1992, forcing CDE [illegible] turn to [illegible] state-owned shareholders for support.

The terms of [illegible] plan, which is expected to receive final approval within [illegible] next [illegible] days, involve a complex [illegible] which [illegible] on the [illegible]ment [illegible] a new vehicle for CDE's non-performing loans.

The five state-owned [illegible] institutions which have a [illegible]trolling [illegible] in CDE – the [illegible] Dépots et Consignations, [illegible] Foncier and the insurance companies [illegible] France, Union [illegible] Paris, and GAN – will hold shares in the new com[illegible].

[illegible] purchase of the [illegible] from CDE will be achieved through a bond issue, [illegible] proceeds of which will go [illegible] the property bank. [illegible] is expected to [illegible] place in the [illegible] quarter.

Industry observers [illegible] the scheme was necessary [illegible] remove bad [illegible] from [illegible] and [illegible] its capital ratios. "It has been [illegible] for a long time that something had to be done," said one analyst in Paris. "[illegible] clean-up should [illegible] get CDE back on [illegible] feet."

[illegible] principal [illegible] in CDE have already [illegible]tial provisions against [illegible] from the [illegible].

Analysts [illegible] that AGF, the largest [illegible] with just under [illegible] per [illegible] the shares, faces costs [illegible] more than FFr1bn from [illegible] the property bank, including provisions [illegible] FFr300m [illegible] in the first half [illegible] last year.

[illegible] implementation of [illegible] restructuring plan should defuse the [illegible] in [illegible] 145-year history. It was [illegible] to provide state-subsi[illegible] loans for cheap housing, [illegible] expanded [illegible] commercial and private property lending.

Barry Riley

Dreams versus hard facts in private banking

With private banks, mystique [illegible] a lot. [illegible] has [illegible] small London-based bank Leopold Joseph [illegible] a big risk by trying [illegible] open [illegible] the normally opaque investment [illegible] emphasise [illegible] disorientat[illegible] concept (for private bankers) [illegible] value for money?

Leopold Joseph [illegible] just launched a new approach [illegible] port[illegible] management [illegible] upon index-tracking mutual funds, under the slightly pretentious [illegible] Optimised Investment Service. This [illegible] aimed at private [illegible] and the kind of charities and [illegible] which find private [illegible] congenial.

[illegible] investment management industry [illegible] polarising into [illegible] managers serving big institutions, which demand rigorous reporting and performance [illegible]surement, and the [illegible] client [illegible], such [illegible] make [illegible] their [illegible] emphasise relationships [illegible] than [illegible].

Performance figures have had the effect [illegible] ruthlessly sorting out the [illegible] from [illegible] goats among big pension fund managers. Over the past 10 years a lower quartile UK manager would have turned an initial £1m into £4.3m but an upper quartile manager would have generated £6.5m. Unfortunately there [illegible] a strong possibility in [illegible] business that a sheep may metamorphose into a goat, or [illegible] a donkey.

For private [illegible] similar firms the performance numbers can be very difficult to find. Usually there [illegible] a vague claim to expertise, unsupported by quantitative evidence. A bank may, for instance, claim [illegible] able to find investments which [illegible] fundamentally undervalued by the markets. It may be [illegible] economic and [illegible] research from [illegible] highly regarded sources" which can be combined with its "strong [illegible] analytical capability".

I am teasing Leopold Joseph [illegible] because these phrases come [illegible] its latest annual report, published [illegible] July. [illegible] new brochure [illegible] the Optimised Investment Service observes more candidly that the conventional private client and smaller institutional fund manager will find it very difficult [illegible] value.

A sheep may metamorphose into a goat, or even a donkey

Evidence is, I repeat, hard to come by, [illegible] LJ [illegible] the published performance of UK general unit trusts [illegible] a proxy for what [illegible] private client and [illegible] institutional manager may [illegible] achieving. Over [illegible] five-year period (ended last April) the [illegible]age trust underperformed the FT-A All-Share [illegible] by almost 3 per [illegible] a year (even ignoring the bid-offer spread).

The bank reckons that the total [illegible] of managing a conventional £1m portfolio for a 40 per cent [illegible] in the UK may [illegible] 3.2 [illegible] cent a year, about 2 percentage points of which arises from capital gains [illegible] and commissions resulting from portfolio switching.

These costs can [illegible] halved by changing to the "optimised" strategy which eliminates all stockpicking and relies on top down asset allocation using index funds, deposits and bonds. The saving effectively [illegible] from a reduction in transaction costs and [illegible].

One problem, however, is that some of the same doubts [illegible] associated with [illegible] allocation as with individual stockpicking: can the [illegible] of switching really be recouped through [illegible] exercise of investment skills in efficient markets? The logical extreme here [illegible] to index to some kind of consensus strategy, a service actually available [illegible] UK pension funds from Barclays de Zoete Wedd Investment Management.

But of course [illegible] client is usually [illegible] at all happy dealing with a computer, and this is the marketing problem. A private banking client may [illegible] be all that rich and may be expensive [illegible] service, but he (or she) thinks he deserves a premium service and that is the ego-massaging relationship that the most successful private client managers provide.

The client wants to believe that his portfolio manager [illegible] clever and well informed, not least because he would [illegible] to think he has [illegible] in choosing him in the first place. Part of the deal is an individualised portfolio, which just happens [illegible] make it very difficult to produce comparable performance statistics.

Portfolio management all too often represents the triumph of greed over experience. Leopold Joseph somehow has to put over its low-cost approach to clients without destroying their [illegible] of outperformance.

Weatherstone called for Banesto crisis meeting

By Peter Bruce in Madrid and John Gapper in London

Sir Dennis Weatherstone, chairman of J. P. Morgan, the [illegible] bank advising Banco Español [illegible] Crédito (Banesto), wrote to the central bank [illegible] Spain on [illegible] day it ousted Banesto's board [illegible] management, asking for a meeting to explain Morgan's position.

Sir Dennis wrote to Mr Luis Angel Rojo, [illegible] bank's governor, [illegible] Tuesday asking him [illegible] meet Mr Roberto Mendoza, Morgan's vice-chairman who [illegible] on Banesto's board.

[illegible] Dennis' letter, written following the central bank's intervention, emphasises [illegible] Mr [illegible]za represented J. P. Morgan's corporate office, "where all decisions relating to [illegible] investment by Corsair in Ban[illegible] have been made".

Corsair [illegible] the investment fund managed by Morgan [illegible] of [illegible] investors which bought $175m of equity in Banesto last summer. Mr Mendoza [illegible] Banesto's board [illegible] a representative of Corsair, [illegible] supervised Morgan's advisory work.

[illegible] Dennis' [illegible] that [illegible] familiar with Morgan's dealings [illegible] Banesto. Morgan yesterday described as "completely false" [illegible] report in the Spanish [illegible] El Pais that Mr [illegible] failed [illegible] keep Sir Dennis informed.

Sir Dennis said in the letter he "would appreciate" [illegible] meeting [illegible] Mr [illegible] and Mr Rojo, "given the gravity of the measures taken by the Bank of Spain".

M[illegible] b[illegible] Banesto, Spain's fourth-largest bank, was in a better condition than Mr Rojo claimed last week. [illegible] that Banesto's [illegible] over-valued by Pta372bn ($2.6bn), compared with the Bank's estimate of [illegible].

Mr [illegible] Spanish parliamentary finance committee that the central bank had intervened after discovering [illegible] over-valuation of Banesto's assets, partly [illegible] by over-rapid growth in loans [illegible] and 1991.

[illegible] document [illegible] by [illegible] bank to justify intervention [illegible] that Morgan thought the over-valuation [illegible] serious. In particular, it put [illegible] over-valuation of loans [illegible] Pta166bn, rather than [illegible] figure [illegible] Pta223bn.

Although Morgan executives are thought to accept that the [illegible] bank [illegible] right to intervene when the run on deposits started, they had bel[illegible]ed until then [illegible] could return [illegible] profitability helped by further capital-raising.

Mr [illegible] Conde, Banesto's former president, was dis[illegible] along with other [illegible] members when [illegible] central [illegible] intervened.

Fresh cash for joint Czech and Slovak bank

By Anthony Robinson

[illegible] and [illegible] governments have injected new capital and strengthened [illegible] sheet of [illegible] enska Obchodni [illegible] (CSOB), their jointly-owned foreign [illegible]. The move [illegible] latest in [illegible] series designed to improve the operational efficiency and profit[illegible] of [illegible] and [illegible] it on course for privatisation.

The governments have injected [illegible] ($135m) into the foreign trade bank of [illegible] Czechoslovak [illegible] republic, and trans[illegible] Kcs40bn of bad [illegible] doubtful [illegible] new "collection units," to be funded and managed by CSOB. The bank [illegible] implemented credit write-downs which, together [illegible] the capital injection, [illegible] capital adequacy [illegible] to 6.25 per cent at the year end. The ratio should rise [illegible] 7 per cent by the end of 1994.

The bank, which finances [illegible] foreign [illegible] of [illegible] republics, is [illegible] per cent-[illegible] by [illegible] Czech [illegible] ment, which provided $100m [illegible] new capital, [illegible] per cent by [illegible] government, [illegible] provided [illegible] remaining [illegible] per [illegible] by [illegible] employees.

[illegible] report an [illegible] operating profit [illegible] 1993 [illegible] providing for bad debts, [illegible] an overall [illegible] year.

[illegible] other Czech [illegible] Slovak banks, [illegible] permitted to transfer [illegible] or part of their [illegible] debts to specially-created [illegible] banks, [illegible] governments began [illegible] CSOB [illegible] 1992 by assuming liability for [illegible] and Kcs74bn of state-related liabilities.

[illegible] included domestic [illegible] made to state enterprises under [illegible] central planning rules, [illegible] doubtful foreign [illegible] former socialist states and big arms purchasers [illegible] Iraq.

N. M. Rothschild has been advising the bank on financial restructuring [illegible] to eventual privatisation.

Paris theme park woes hit Disney chairman's pocket

By [illegible] in New York

The financial troubles of the Euro Disney theme park [illegible] Paris have claimed [illegible] victim: Mr Michael Eisner, chairman of [illegible] Disney, col[illegible] bonus [illegible] 1993 for the first time in almost 10 years [illegible] of the Hollywood company.

Walt Disney [illegible] per cent of the loss-making Euro Disney, [illegible] involved in negotiations with the company's creditor banks for an emergency restructuring of [illegible].

[illegible] Disney reported [illegible] sharp drop in [illegible] net income [illegible] November, to [illegible] from [illegible] largely [illegible] of [illegible] problems of Euro Disney. It took a [illegible] fourth-quarter charge to [illegible] difficulties [illegible] Euro Disney, and [illegible] $514m on its investment in the full year.

The downturn meant the company failed to [illegible] the financial targets necessary [illegible] trigger Mr Eisner's bonus scheme, [illegible] is calculated according to [illegible] formula [illegible] net income and [illegible] equity.

Mr Eisner received [illegible] salary of $750,000 and exercised options during the year [illegible] Dis[illegible] valued at $202m. In [illegible] Mr Eisner's bonus [illegible] $6.7m, while the year before [illegible] it was $4.7m and in [illegible] it totalled $10.5m.

In an interview published last week by the French magazine Le Point, [illegible] Eisner warned that the closure of [illegible] Paris park would [illegible] a possibility if Euro Disney failed to reach an agreement with [illegible] creditor banks.

Michael Eisner: results failed to trigger [illegible] scheme

A lesson in diversification survival

Ian Rodger gets to the root of Motor Columbus's financial troubles

If the idea of aggressive diversification [illegible] any credibility, Motor Columbus, [illegible] Swiss electrical power production and engineering [illegible] put an [illegible] to it.

The group, [illegible] world's best known engineers of hydro-electric projects, has just survived by a whisker a disastrous diversification binge that began in the mid-1980s.

At [illegible] end of 1992, when a reckoning was finally made, the group's trading profits barely covered its [illegible] ($176.4m) interest charges. It [illegible] to write [illegible] SFr257m [illegible] misadventures, and [illegible] left [illegible] shareholders' [illegible] of a mere SFr2m. The [illegible] was passed.

Today, under [illegible] management, Motor Columbus is firmly [illegible] recovery trail, after several disposals and [illegible] new concentration [illegible] core electricity-related businesses. Its bearer shares [illegible] one of the top performers in a perky [illegible] stock market last year, trebling to [illegible] recent SFr1,570.

[illegible] group's diversification programme began in the mid-[illegible], when profits from electricity generation [illegible] being squeezed [illegible] the Swiss government suddenly scrapped a nuclear power plant project. Motor Columbus, which had a big engineering team working on [illegible] project, took [illegible] write-off of more [illegible] SFr200m, [illegible] began [illegible] diversify into high-technology services.

The [illegible] initiatives were in cable television. The [illegible] acquired rights [illegible] build systems [illegible] parts of France, Germany [illegible]. The Swiss and German systems [illegible] fairly well, but [illegible] typical Swiss penchant for building everything with a copper bottom went awry in France. Motor installed [illegible] ultra-modern system [illegible] Alsace with [illegible] optic cables and interactive capability, [illegible] discovered [illegible] subscribers [illegible] unwilling [illegible] a big premium for it. The result: SFr100m of the group's SFr150m investment [illegible] written off.

A [illegible] thrust [illegible] data communications sector, with [illegible] big investment in WorldCom, [illegible] private line-leasing business that did well until American Telegraph [illegible] Telephone started cutting prices.

Motor [illegible] lucky though, being [illegible] sell WorldCom [illegible] Communications, a [illegible] telecoms [illegible] in return for a 40 per cent share stake in IDB. [illegible] of that stake [illegible] sold in November at [illegible] net profit of SFr200m.

[illegible] less lucky in its third area of diversification, service and manufacturing businesses. These varied from [illegible] purification equipment to proteins for pharmaceuticals, electron[illegible] for textile machinery and powder coatings. Most have [illegible] sold or closed.

The [illegible] large remaining [illegible] business [illegible] Studer Revox, which makes speci[illegible] equipment [illegible] upmarket consumer electronics. Last year, [illegible] and write-offs at Studer reached SFr100m. The [illegible] businesses [illegible] revived under new management, and [illegible] being [illegible] for sale.

At their peak in 1991, [illegible] diversifications generated [illegible] little [illegible] quarter [illegible] group's SFr1.9bn turnover, [illegible] only 6 per cent of [illegible] trading profit.

In 1991, [illegible] recession deepening, directors [illegible] looming. [illegible] Thomke, a highly-regarded former [illegible]utive [illegible] watchmaking group, [illegible] brought in [illegible] perform surgery.

[illegible] take long [illegible] new [illegible]. Ironically, [illegible] the middle of the diversification binge, [illegible] group's principal electricity-generating subsidiary, Atel, had found [illegible] exciting new [illegible] growth in electricity trading.

With a large pool of hydro power generation and [illegible] high-tension transmission network criss-crossing Switzerland, Atel was [illegible] an excellent position to deal in electric [illegible] neighbouring Italy, [illegible] Germany.

The competitive advantage of hydro power is its flexibility. It [illegible] be turned up or down as needed within seconds, without adding any significant marginal [illegible]. Electricity dealing in central Europe [illegible] conducted daily by telephone, and Atel is an important player. Last year, [illegible] than half of its SFr1.4bn turnover came from trading, and Motor [illegible] vigorously expanding the network's capacity and [illegible].

Analysts are reckoning on a sharp turnround at [illegible] in [illegible], from 1992's SFr225m [illegible] loss [illegible] profit of about SFr70m. For their part, [illegible] directors have recently demonstrated optimism that the [illegible] trade out of its crisis by cancelling 94,000 shares [illegible] in treasury against [illegible] were [illegible] converted.

This turnround [illegible] restarted speculation about Motor's ownership. Union Bank of Switzerland [illegible] a 40 per cent [illegible] of shares, bought in the mid-[illegible] analysts have speculated about [illegible] merger between Motor and Electrowatt, [illegible] similar company and part of [illegible] CS Holding financial services group built around [illegible] Suisse.

Whatever happens, Motor could soon be back in a [illegible] similar [illegible] the [illegible] in the 1980s: what to [illegible] brisk surplus cash-flow. [illegible] thing is sure, diversification is out of the question.

Bristol Myers unveils shake-up

By Richard [illegible] in [illegible]

Bristol Myers Squibb has announced an overhaul of [illegible] operations and extensive job losses. It joins a growing list [illegible] US drugs [illegible] fighting to keep [illegible] with changing market conditions in [illegible] pharmaceuticals industry.

[illegible] 5,000 jobs will [illegible] over [illegible] next [illegible] years, many of [illegible] a result of [illegible] restructuring of the group's sales [illegible] marketing operations in [illegible] and Europe.

The company [illegible] slower [illegible] other US pharma[illegible] to [illegible] costs [illegible] sales and marketing operations [illegible] managed [illegible] buyers in the US. Managed care groups, which buy in bulk, [illegible] for a large part of [illegible] drug purchasers, and have [illegible] drug groups to discount heavily.

As part [illegible] the restructuring announced yesterday, Bristol Myers [illegible] reorganised into [illegible] regional groups, [illegible] up [illegible] strengthened managed [illegible] and marketing [illegible].

The company [illegible] it [illegible] removing [illegible] layer [illegible] management in Europe, and that [illegible] 11 [illegible] units [illegible] the continent would report directly [illegible] European headquarters rather than through four regional divisions.

[illegible] changes [illegible] reduce [illegible] pharmaceuticals business around the world by [illegible] all, the company said. [illegible] 1,500 of [illegible] job [illegible] from a voluntary redundancy [illegible] announced [illegible].

Sharp rise at Swiss banking unit

By Ian Rodger in [illegible]

[illegible] Zürich Optionen und Futures, the quoted futures and options unit of [illegible] banking group, has reported a sharp rise in [illegible] profit, to some SFr80m ($54m) from SFr17.6m in 1992.

However, it pointed out that SFr28m of [illegible] from [illegible] liquidation of provi[illegible] that would [illegible] longer [illegible] because [illegible] planned [illegible] establish a holding structure this year.

[illegible] shareholders' equity stood at SFr300 [illegible] share [illegible] end of the year. The directors would propose repaying SFr30m or [illegible] per share of equity [illegible] AGM on January 22.

● Banca del Gottardo, [illegible] Swiss bank in which Japan's [illegible] holds a [illegible] per cent controlling interest, has reported [illegible] 50 per cent jump in parent [illegible] income in 1993, [illegible].

The directors [illegible] downward movement of interest rates contributed [illegible] the "very positive results," [illegible] did opportunities in volatile financial markets. They have proposed raising the dividend from SFr20 per share [illegible] participation certificate to SFr25.

Gottardo said its cash flow jumped 21 [illegible] cent [illegible] SFr151.9m.

Ford pins its hopes on Windstar

Martin Dickson looks at the US multi-purpose vehicle market

The first shots in a multi-billion dollar battle for the hearts and cheque books of affluent suburban American families will be fired in Detroit this week at the city's annual international motor show.

For the show, which opens to the public at the weekend, will mark the official unveiling by Ford Motor of its new Windstar mini-van, which poses the most serious threat yet to Detroit rival Chrysler's hold on this fast-growing [redacted] highly profitable segment of the US vehicle market.

Mini-vans, as they are called in the US, are seven-seater pas-[redacted] vehicles which look similar [redacted] small vans but have the handling characteristics [redacted] a car. In Europe, they are generally [redacted] multi-purpose [redacted] and the best [redacted] probably [redacted] Renault Espace.

In [redacted] decade since Chrysler [redacted] the mini-van in [redacted], the vehicles have largely replaced [redacted] family station [redacted] suburban America.

Mini-vans, bought mainly by parents between the ages of 35 and 50, can accommodate more children, in much roomier, more comfortable and [redacted] than traditional [redacted] vehicles, and still [redacted] plenty of [redacted]. They [redacted] significantly reduce the stress inherent in travelling with a young family.

Sales have risen by over 10 per cent [redacted] year in the past two years, topping 1m units in 1993, and are expected to keep rising as [redacted] baby-boom generation moves through its child-rearing phase.

Chrysler still dominates the sector, accounting for about 45 per cent of sales with its boxy but easy-handling, front-wheel drive Caravan [redacted] Voyager vehicles – having [redacted] repeated challenges from [redacted] foreign rivals.

Ford currently holds around [redacted] the market. Its main entrant in the sector, the Aerostar, is a rear-wheel drive [redacted] with a very truck-like [redacted] although in late 1992 it introduced a more attractive small vehicle, the Mercury Villager, which has sold well.

General Motors, the least efficient US manufacturer, holds about [redacted] per cent. [redacted] Lumina, Oldsmobile Silhouette and Pontiac TransSport vehicles, which have a beaky nose and plastic body, have [redacted] poorly [redacted] their introduction in [redacted]

Sales in the US of 'mini-vans' have risen by more than 10 per cent a year in the past two years, topping 1m units in 1993, and are expected to keep rising as the baby-boom generation moves through its child-rearing phase

Japanese companies largely [redacted] up [redacted] sector, but they have [redacted] their market share, partly [redacted] design, partly because of the high yen and partly [redacted] of anti-dumping suits against their [redacted] filed by [redacted]

The [redacted] Windstar [redacted] threat [redacted] Chrysler because it [redacted] easy [redacted] handle, [redacted] which essentially [redacted] largest [redacted] Chrysler's [redacted] and most [redacted] of style. [redacted] curvy, aerodynamic appearance [redacted] much [redacted] car-[redacted] than [redacted] competitors.

[redacted] plans [redacted] build [redacted] 270,000 [redacted] a year, which [redacted] put [redacted] company's [redacted] top-selling vehicles. [redacted] is, Ford increased its share [redacted] the [redacted] car and truck market from around 23 per cent in 1987 to [redacted] per [redacted] in 1993, thanks to a string of successful new or revamped vehicles [redacted] as the Taurus family car and the Explorer sports utility.

It has also just launched [redacted] new version [redacted] its Mustang sports car [redacted] strong demand, and this [redacted] will bring [redacted] American [redacted] prize-winning "world" [redacted] known in Europe as the Mondeo.

But [redacted] this [redacted] Ford is currently far less profitable in North America than the much smaller Chrysler, which has bounced back from finan-[redacted] problems with a [redacted] hit [redacted] of [redacted] as well as strong controls on costs.

And Chrysler, which makes around [redacted] mini-vans a [redacted] is hardly going to give up its [redacted] of this market lightly.

The [redacted] the mini-van played an important part in saving it [redacted] financial crisis in the early 1980s and it still [redacted] the vehicle [redacted] "crown jewel" [redacted] profit margins it generates.

Many analysts expect Chrys-[redacted] greet [redacted] with [redacted] pre-emptive price cut – repeating [redacted] it pursued [redacted] years [redacted] when [redacted] launched its beaky mini-vans.

Chrysler [redacted] giv-[redacted] journalists [redacted] previews [redacted] totally re-engineered mini-[redacted] plans to launch in the [redacted] year. [redacted] Lutz, Chrysler chairman, [redacted] "our mini-van will come out [redacted] Windstar, but [redacted] will clearly [redacted] a generation [redacted] beyond, both aesthetically and functionally".

However, Mr [redacted] Hagenlocker, [redacted] Ford's North American automotive operations, [redacted] that, [redacted] growth in the mini-van market, Ford [redacted] Chrysler will be [redacted] "co-exist very nicely".

He points [redacted] that [redacted] happened in [redacted] fast-growing [redacted] segment, for sports [redacted] These [redacted] four-wheel drive vehicles, similar [redacted] a Land Rover, which give the driver a [redacted] of off-road ruggedness, even though they are bought mainly by baby-boom-[redacted] whose prime experience of the wild is jostling for parking [redacted] in a suburban mall.

When Ford burst into this market with its Explorer vehicle, which has become the market leader, [redacted] analysts forecast it would seriously depress Chrysler's [redacted] volume. But Chrysler's [redacted] have [redacted] risen strongly, thanks [redacted] the introduction of a [redacted] vehicle of its [redacted] the Jeep [redacted] Cherokee, and the rapid growth [redacted] the overall market.

"It really hasn't been [redacted] head-to-head confrontation," says Mr Hagenlocker. "We both sell everything [redacted] build, because the segment is product-driven."

[redacted] for mini-vans, [redacted] existing [redacted] tend [redacted] loyal [redacted] products they drive but around six out of 10 new purchasers [redacted] switching from car ownership. "Among the 60 [redacted] that [redacted] from [redacted] park, [redacted] think [redacted] Windstar will [redacted] very well."

Several analysts [redacted] and suggest [redacted] Ford could boost its share of the market [redacted] around 30 [redacted] – although not necessarily at Chrysler's expense. The biggest loser could be GM, which is [redacted] due to replace [redacted] mini-vans until [redacted] middle of [redacted] model [redacted]

Whatever [redacted] outcome, [redacted] longer-term [redacted] just how long [redacted] mini-van market [redacted] keep growing. Mr Joel Pitcoff, research manager [redacted] Ford in [redacted] America, points out [redacted] "the age group [redacted] spawned [redacted] of the mini-vans is approaching [redacted] of empty nesters. A big question is what will happen [redacted] their tastes when their children go off [redacted] college.

"Only in Jack and [redacted] Beanstalk," he adds, "do things grow [redacted] the sky."

Kleinwort Benson in Indian fund venture

By Alexander Nicoll, Asia Editor

Kleinwort Benson, the UK merchant bank, is joining forces with Tata Group, India's largest private sector conglomerate, to establish a new fund management company.

The joint venture, Tata Asset Management Company, is 20 per cent owned by Kleinwort and 80 per cent by Tata Sons, the group [redacted] company, and Investment Corporation of India, also a Tata company.

The venture is [redacted] advantage of [redacted] liberalisation in the Indian fund management [redacted] ness which until recently was dominated by the state-owned Unit Trust of India. About 20 companies are planning fund [redacted] some [redacted] foreign backing.

The new venture plans [redacted] launch a closed-end mutual fund during [redacted] first quarter [redacted]

Mr [redacted] Condon, a Kleinwort executive who will be managing director [redacted] in Bombay, [redacted] venture [redacted] aimed principally [redacted] domestic Indian market, particularly [redacted] growing middle class population.

Kleinwort estimates that [redacted] nomic reform [redacted] producing an increase [redacted] number of [redacted] retail investors of between 2m and 3m people [redacted] year [redacted] they are increasingly turning to [redacted] capital markets.

TENDER NOTICE

UK GOVERNMENT ECU TREASURY BILLS

For tender on 11 January 1994

1. The Bank of England announces the issue by Her Majesty's Treasury of ECU 1,000 million nominal of UK Government ECU Treasury Bills, for tender on a bid-yield basis on Tuesday, 11 January 1994. An additional ECU 50 million nominal of Bills will be allotted directly to the Bank of England.

2. The ECU 1,000 million of Bills to be issued by tender will be dated 13 January 1994 and will be in the following [redacted]
ECU 200 million for maturity on 10 February 1994
ECU 500 million for maturity on 14 April 1994
ECU 300 million for maturity on 14 July 1994

3. All tenders must be made on the printed application forms [redacted] on request from the Bank of England. Completed application forms must be lodged, by hand, at the Bank of England, Securities Office, Threadneedle Street, London not later than 10.30 a.m., London time, on Tuesday, 11 January 1994. Payment for Bills allotted will be due on Thursday, 13 January 1994.

4. Each tender at each yield for each maturity must be made on a separate application form for a minimum of ECU 500,000 nominal. Tenders above this minimum must be in multiples of ECU 100,000 nominal.

5. Tenders must be made on a yield basis (calculated on the basis of the actual number of days to maturity and a year of 360 days) rounded to two decimal places. Each application form must state the maturity date of the Bills for which application is made, the yield bid and the amount tendered for.

6. Notification will be despatched on the day of the tender to applicants whose tenders have been accepted in whole or in part. For applicants who have requested credit of Bills in global form to their account with ESO, Euro-clear or CEDEL, Bills will be credited in the relevant systems against payment. For applicants who have requested definitive Bills, Bills will be available for collection at the Securities Office of the Bank of England after 1.30 p.m. on Thursday, 13 January 1994 provided cleared funds have been credited to the Bank of England's ECU Treasury Bills Account No. 59005516 with Lloyds Bank Plc, International Banking Division, PO Box 19, Hays Lane House, 1 Hays Lane, London SE1 2HA. Definitive Bills will be available in amounts of ECU 10,000, ECU 50,000, ECU 100,000, ECU 500,000, ECU 1,000,000, ECU 5,000,000 and ECU 10,000,000 nominal.

7. Her Majesty's Treasury reserve the right to reject any or part of any tender.

8. The arrangements for the tender are set out in more detail in the Information Memorandum on the UK Government ECU Treasury Bill programme issued by the Bank of England on behalf of Her Majesty's Treasury on 28 March 1989, and in supplements to the Information Memorandum. All tenders will be subject to the provisions of that Information Memorandum (as supplemented).

9. The ECU 50 million of Bills to be allotted directly to the Bank of England will be for maturity on 14 July 1994. These Bills may be made available through sale and repurchase transactions to the market makers listed in the Information Memorandum (as supplemented) in order to facilitate settlement.

10. Copies of the Information Memorandum (and supplements to it) may be obtained at the Bank of England. UK Government ECU Treasury Bills are issued under the Treasury Bills Act 1877, the National Loans Act 1968 and the Treasury Bills Regulations 1968 as amended.

Bank of England
4 January 1994

INTL COMPANIES [redacted] CAPITAL MARKETS

Companies issue a new record

Raising finance is a booming activity, reports Patrick Harverson

Companies worldwide raised a total of $1,500bn in debt and equity financing last year, and [redacted] hope that if international markets [redacted] pensate for an expected slowdown in US underwriting activity more records could be broken in 1994.

According to Securities Data, [redacted] financial information group, $1,100bn of corporate debt and equity [redacted] issued in the [redacted] last year, with another [redacted] issued on the Eurobond [redacted] international equities markets.

The [redacted] easily eclipsed the previous record of $1,100bn, [redacted]

The driving force behind [redacted] global underwriting [redacted] low interest rates [redacted] buoyant stock markets. A rush of privatisations in Europe, rapid growth in emerging financial markets, heavy demand from institutional [redacted] individual investors for stock and bonds, [redacted] companies to lighten their [redacted] loads, were [redacted] important.

[redacted] always, [redacted] capital [redacted] dominated the global [redacted]. Domestic financing [redacted] the US topped $1,000bn [redacted] the first time, and shattered the previous record of [redacted]

Volume [redacted] US stock and bond issues	
Year	Proceeds ($bn)
1987	277
1988	279
1989	310
1990	314
1991	[redacted]
1992	[redacted]
1993	1,063

Source: Securities [redacted]

in 1992. The rush [redacted] US companies [redacted] existing debt at lower [redacted] pushed total corporate bond [redacted] last year, up [redacted] cent on [redacted] record figure.

The [redacted] story in the [redacted] bond [redacted] was the frenzy [redacted] high-yield or junk [redacted] ket, [redacted] companies with debt rated below investment grade stampeded [redacted] raise money. The volume of junk bond [redacted] than [redacted] in the previous three years.

It [redacted] astonishing [redacted] ery from [redacted], when only $1.4bn [redacted] in the wake [redacted] collapse [redacted] Drexel Burnham Lambert, [redacted] Wall [redacted] investment bank that [redacted] pioneered [redacted] of high-yield debt.

The junk bond market thrived [redacted] reasons: companies with low investment ratings rushed [redacted] raise funds, either [redacted] off expensive debt with cheaper credit or to meet tough repayment schedules; and securities paying high returns were in demand from [redacted] frustrated with low yields on traditional corporate [redacted] and equity.

The strong performance of [redacted] share prices persuaded many companies that the time was right [redacted] money through new [redacted] year.

A [redacted] $102bn [redacted] raised from [redacted] of [redacted] stock in 1993, 40 [redacted] than [redacted] previous year.

The market for initial public offerings of [redacted] (IPOs) [redacted] particularly busy [redacted] more than [redacted] companies [redacted] public in the rush to take advantage [redacted] high equity valuations and [redacted] demand from investors. At the end of [redacted] year, IPO volume had reached an all-time high of $57bn, up from [redacted] in [redacted].

[redacted] huge volume [redacted] underwriting [redacted] last year delighted Wall [redacted] firms, who between them [redacted] $9.1bn in [redacted] and so smashed the [redacted] record of [redacted]. Merrill Lynch [redacted] biggest underwriter for the sixth consecutive year, followed by [redacted] Sachs, Lehman Brothers, Morgan Stanley and Salomon Brothers.

The big question on Wall [redacted] today is whether 1994 [redacted] match last year. The consensus is yes – but only if international activity grows strongly.

[redacted] interest rates are forecast to rise this year, which will cut the size of corporate debt [redacted] ance. Also, demand from investors [redacted] stock and bonds [redacted] expected [redacted] shrink. [redacted] quently, financing activity is likely [redacted] slow down in 1994, although the sale of new stock and bonds by companies to finance mergers and takeovers may help offset some of the declines.

Ultimately, however, investment [redacted] relying [redacted] the international capital [redacted] to pick [redacted] from the US.

Interest [redacted] in Europe and elsewhere [redacted] expected to [redacted] tinue to fall or stay historically low in [redacted] and, [redacted] of privatisations likely to remain strong in Europe [redacted] emerging economies, the volume [redacted] underwriting [redacted] side the [redacted] this year should exceed 1993.

Japanese to allow share buybacks

By Emiko Terazono [redacted] Tokyo

The Japanese government is [redacted] month expected [redacted] rules allowing companies [redacted] buy their own shares.

Japanese companies are currently banned from buying back their own outstanding shares, but [redacted] plunge in Japanese share [redacted] in 1992 prompted the government to consider changes in [redacted] commercial [redacted] extra supply of [redacted] Tokyo market.

The Tokyo stock market saw the number of shares surge during the asset "bubble" [redacted] the [redacted] 1980s, [redacted] corporations [redacted] into the stock market to raise funds through rights issues and equity-linked instruments.

Leading businesses, now wary of the stock market slump, have been calling for the government to lift its ban on share buybacks by companies.

Advisory bodies to the justice ministry and finance ministry [redacted] currently studying the details, and in February [redacted] expected [redacted] announce their proposals, including detailed disclosure by companies which buy [redacted] their shares. The government [redacted] legal changes for implementation from [redacted] April.

COMPANY NEWS IN BRIEF

Medco boss given greater role in Merck management reshuffle

Merck, the US's biggest pharmaceuticals group, reshuffled its senior management team to give a prominent role to Mr Martin Wygod, chairman of the recently-acquired Medco Containment Services, [redacted] Richard [redacted] in [redacted] York.

[redacted] Wygod, a drug industry entrepreneur who [redacted] established giants like Merck before selling [redacted] company last November [redacted] has [redacted] given responsibility for operations [redacted] account for more than half Merck's sales.

He will run all of Merck's North American prescription drug businesses. Mr J[redacted] Jackson, former head of [redacted] group's worldwide human health division, will now be responsible only for the [redacted] part of the business.

Through [redacted] Mr Wygod [redacted] been prominent in [redacted]ving down prices for large-scale buyers such as managed care [redacted]. Part of his responsibility will be [redacted] new [redacted] in [redacted] yesterday, which will [redacted] and marketing operations to managed care organisations.

JP Morgan sells trust business

J. P. Morgan [redacted] US corpo[redacted] trust [redacted] in the [redacted] sign of consolidation in [redacted] fiercely competitive US market for custody [redacted] other securities services, writes [redacted]. The Morgan business, which [redacted] as [redacted] to 3,800 bond issues for 650 US companies, has been bought by First [redacted] System, a Minneapolis-[redacted] banking group. [redacted] and [redacted] acqui[redacted] would m[redacted] corpo[redacted] the fifth largest in [redacted] US.

Reuters offers municipal deal

Reuters subscribers will soon be offered a "comprehensive" set [redacted] municipal securities information products in [redacted] deal between the international news and information com[redacted] and JJ Kenny.

Under the agreement JJ Kenny, a wholly owned subsi[redacted]iary of McGraw-Hill the municipal bond inter-d[redacted] broker, will make available [redacted] Reuters subscribers [redacted] Blue List of daily municipal and [redacted] bond offerings, Kenny Drake market data, and [redacted] BASE (R), an on-line database describing over 1.6m tax-exempt securities.

Total return in local currency to 31/12/93

	% [redacted] over period					
	[redacted]	[redacted]	Germany	France	[redacted]	[redacted]
Cash						
Week	0.06	0.05	0.13	[redacted]	0.16	0.10
Month	0.30	0.20	0.55	0.57	0.75	0.45
Year	3.94	3.63	7.69	9.50	13.06	6.69
Bonds [redacted] year						
Week	[redacted]	0.23	0.32	0.24	0.16	0.25
Month	[redacted]	[redacted]	1.05	1.69	4.04	1.74
Year	9.50	11.78	13.48	18.36	28.17	15.00
Bonds 7-10 [redacted]						
Week	-0.45	[redacted]	0.45	0.33	0.10	0.[illegible]
Month	[redacted]	[redacted]	1.93	3.11	6.66	3.7[illegible]
Year	13.65	15.77	17.94	25.30	39.22	22.6[illegible]
Equities						
[redacted]	-0.1	[redacted]	1.7	1.2	1.1	0.8
Month	1.3	[redacted]	[redacted]	[redacted]	[redacted]	3.4
Year	9.6	11.7	47.6	31.9	48.7	28.7

Source: Cash & Bonds - Lehman Brothers. Equities - © NatWest Securities. The FT-Actuaries World Indices are jointly owned by The Financial Times Limited, Goldman Sachs & Co., and NatWest Securities Limited.

INTERNATIONAL CAPITAL MARKETS

Dealers take post-Christmas profits

By Norma Cohen and Sara Webb in London and Frank McGurty in New York

European government bond markets fell broadly as traders [illegible] in profits following the Christmas season rally and braced themselves for possible adverse economic data later in [illegible] month.

■ In the UK, an unexpectedly large jump in the narrow M0 [illegible] supply measure dampened expectations of further interest rate cuts and sent prices of gilts down sharply. Money supply expanded [illegible] an [illegible] of [illegible] per [illegible] in December, well beyond the Treasury's 4 per cent target band, particularly depressing the longer end of [illegible] yield curve. The nearby [illegible] gilt futures contract [illegible] a low [illegible] 119.02 from the peak of 120.20 on December 29 before recovering at the close.

■ In Germany, bund prices [illegible] as dealers [illegible] post-Christmas profits, triggering some technical selling as prices fell through key support levels.

There [illegible] also some nervousness [illegible] German cost-of-living data, which [illegible] released this week, and little expectation that recent [illegible] nomic [illegible] has shown sufficient [illegible] prompt a cut in the [illegible] when the Bundesbank Council meets this Thursday.

■ Italian government bond prices closed modestly higher, [illegible] by optimistic [illegible] ments about Italian inflation for [illegible]. However, [illegible] about a no-confidence [illegible] in Parliament which could delay national elections tentatively slated for March.

■ The combination of [illegible] weakness against the [illegible] dollar, Monday's [illegible] in the [illegible] treasury bond [illegible] prospect [illegible] new supply later this week all helped to push Japanese government bonds lower in yesterday's half-day trading session.

The March futures contract opened [illegible] 117.33 and fell [illegible] a low of 117.03 before closing at 117.10. This compares with the close of 117.53 [illegible] December [illegible] the previous half-day session.

GOVERNMENT BONDS

The dollar strengthened yesterday against the yen, trading at Y113.45, compared with Y111.845 on December 30. Adding to the market's weakness is the expectation of an auction of about Y1,000bn of 10-year government bonds this week. Dealers said [illegible] coupon on [illegible] new bond issue is expected [illegible] about 3.4 per cent.

■ [illegible] Treasury bond prices recovered some ground after a heavy sell-off in the previous session, [illegible] the market [illegible] tiously awaited December employment data [illegible] out later [illegible] week.

By midday, the benchmark 30-year government bond was [illegible] ahead [illegible] 98[illegible], with the yield rising to 6.372 per cent. At [illegible] short end, the two-year note [illegible] higher [illegible] 99[illegible], to yield 4.266 [illegible] cent.

After a week in which longer-dated yields climbed about [illegible] basis points, demand resurfaced in a market that is [illegible] again edgy over the prospects of inflation. Taking advantage in [illegible] lull in the economic release calendar, traders followed through on early futures-led buying and lifted the 30-year issue [illegible] modestly higher levels by mid-morning.

The final 10-day car sales figures of 1993, due out later in the session, were not expected [illegible] sway sentiment in either direction.

Instead, the focus [illegible] firmly [illegible] on the Labor Department's report on non-farm payrolls to be released on Friday. Fore[illegible] ranged from [illegible] increase of [illegible] 300,000. A figure at the high end could trigger [illegible] further bout [illegible] selling.

■ The French economy ministry said the Treasury would issue around FFr275bn of OATs and FFr245bn of two and five-year notes (BTANs) in 1994, Reuter reports from Paris. It said net OAT and BTAN issues, after scheduled redemptions, would [illegible] about FFr300bn in [illegible] against FFr332bn last year.

The treasury issued FFr244bn of OATs and FFr231bn of BTANs in 1993, including Ecu4.2bn of bonds and notes denominated in the EU's basket currency.

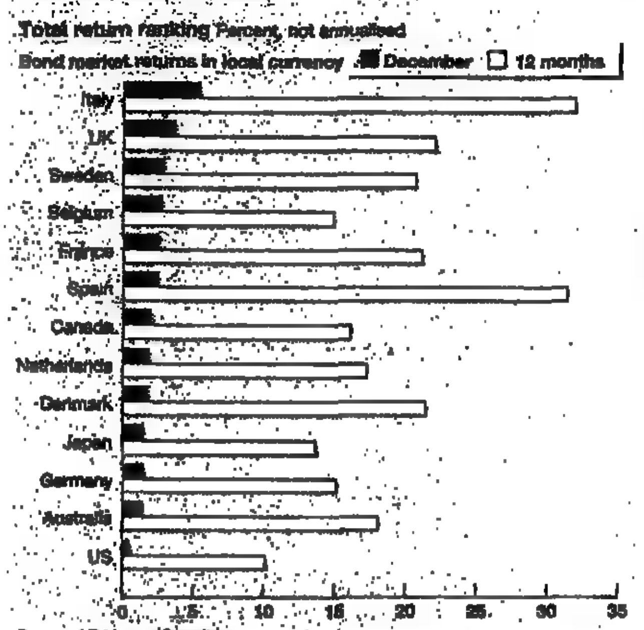
The Ecu amount, [illegible] FFr28bn worth, represented about [illegible] per cent of the total, compared with the treasury's original wish [illegible] issue [illegible] 15 per cent of new issues in Ecu.

The ministry said the Balladur bond, [illegible] special offering in July that [illegible] convertible into privatised shares, allowed [illegible] reduction of FFr72bn in outstanding Treasury bills.

The treasury said it would issue two [illegible] its auctions in the [illegible] quarter.

Government bonds

Total return ranking Percent, not annualised



Source: J P Morgan Securities

Italian government bonds lead market performance table

By Sara [illegible]

Italy topped the government [illegible] market performance league table [illegible] December, showing a gain of [illegible] cent, and was [illegible] performing market for the whole of 1993, with a return [illegible] per [illegible] in local currency terms, according to J. P. Morgan Securities.

"Italian government bonds rallied in December as local election results led [illegible] lessening of political uncertainty, parliament passed [illegible] budget package for 1994, inflation continued [illegible] and further [illegible] made on establishing procedures for withholding tax refunds," says J. P. Morgan Securities in [illegible] monthly report.

Italy [illegible] also the top-performing bond market in [illegible] terms [illegible] month, posting [illegible] gain of 4.95 per cent, although in dollar terms, the return [illegible] only 14.04 per cent for [illegible] year.

The UK was the second-best performing government bond market in December, with [illegible] return of 3.59 per cent in local currency terms, helped by the better-than-expected November inflation figures and the November [illegible] budget [illegible]

Sweden ranked third with a gain of [illegible] cent in local currency terms.

Many of the other European government bond markets also showed healthy [illegible] on the back of interest [illegible] cuts, or expectations of lower interest rates, and lower inflation.

[illegible] Belgium and Denmark were able to cut [illegible] interest rates as their respective currencies strengthened against [illegible] D-Mark.

The worst-performing [illegible] markets in local currency terms [illegible] the US, with a gain of just 0.43 per cent, [illegible] Australia, with a rise of 1.31 per cent.

Year starts with flurry of deals

By Sara Webb

The international bond market kicked off the [illegible] year with a burst of activity [illegible] issuers launched a flurry of new deals [illegible] a broad [illegible] currencies.

The Euroyen [illegible] saw several new [illegible] and dealers expect more [illegible] the next [illegible] days. In particular, the market [illegible] awaiting [illegible] previously-announced Y300bn [illegible] from the Republic of Italy, which is likely [illegible] come [illegible] week.

At Y300bn, it will [illegible] largest yen-denominated deal outside Japan. The bonds [illegible] expected to have [illegible] term of between [illegible] and 10 [illegible] to [illegible] advantage of interest in these maturities. They are likely to yield [illegible] 3.4 [illegible] per cent, about 35-45 [illegible] points over [illegible] relevant government benchmark. Daiwa [illegible] J. P. Morgan have [illegible] the mandate.

[illegible] Japanese finance minister abolished the "lock-up" period for Euroyen bonds issued by sovereign borrowers with [illegible] from January 1. As a result, dealers expect to see greater interest by Japanese investors in Euroyen issues.

INTERNATIONAL BONDS

In the past, the ministry had prohibited Euroyen bonds from entering [illegible] country for the [illegible] days [illegible] issuance. Instead, Japanese securities houses agreed [illegible] "warehouse" the bonds for three months before selling the paper to Japanese [illegible].

The Euroyen issues announced yesterday – which included deals [illegible] the Kingdom of Sweden and Finnish Export Kredit – [illegible] mainly targeted at specific investors, predominantly Japanese, syndicate officials said.

The European currency sec[illegible] plenty [illegible] new issuance as well, with deals denominated in D-Marks and lire. **Depfa Finance** announced a DM1.5bn 10-year issue with a [illegible] per cent coupon, yielding 45 basis points [illegible] the 2003 bund issue. Proceeds will be [illegible] for both public sector and mort[illegible] financing.

Qwinzy Capital Group, a Hong Kong-based broker, [illegible] it is hoping [illegible] place [illegible] of bonds issued by **Republique du Congo** [illegible] emerging market investors. The zero-coupon bonds are priced [illegible] are expected [illegible] yield between 9 [illegible] 11 per cent, according [illegible] Qwinzy, which [illegible] bought the deal. The bond proceeds [illegible] by royalty payments from Agip, [illegible] Italian oil [illegible] pany, which has drilling rights in the republic.

NEW INTERNATIONAL BOND ISSUES

[illegible]	Amount m.	Coupon %	Price	Maturity	Fees %	Spread [illegible]	Book runner
[illegible]							
Republic [illegible] Congo(a)	600	zero	[illegible]	[illegible]	-	-	Qwinzy [illegible]
[illegible] Airports Corp.	100	7.00	[illegible]	[illegible]	[illegible]	-	[illegible]
DKB International(b)‡	60	[illegible]	[illegible]	[illegible]	0.30R	-	[illegible] International
[illegible]	50	[illegible]	[illegible]	[illegible]	[illegible]	+325(4¾%-98)	Deutsche [illegible]
[illegible]							
[illegible] Finance	1.5bn	[illegible]	98.74R	Jan.2004	[illegible]	[illegible] (6%-03)	Commerzbank/M.[illegible]
Bayerische [illegible] O'seas	1bn	5.00	101.45	[illegible]	[illegible]	-	Bayerische [illegible]
[illegible] Finance [illegible]	1bn	5.75	101.73	Feb.2004	[illegible]	-	[illegible]
[illegible]							
Kingdom of Sweden‡	50bn	(c)	[illegible]	[illegible]	undiscl.	-	Nikko [illegible]
Treasury Corp. of Victoria	30bn	1.75	99.925R	[illegible]	[illegible]	-	[illegible]
[illegible] Export Kredit(d,e)	10bn	2.00	100.1375R	[illegible]	[illegible]	-	Nomura [illegible]
Finnish Export [illegible]	10bn	(f)	102.1175R	[illegible]	[illegible]	-	Nomura [illegible]
[illegible] FRANCS							
[illegible] Telecom(g)	2.5bn	6.25	[illegible]	[illegible]	[illegible]	+16 (g)	Crédit Lyonnais
[illegible]	[illegible]	6.00	[illegible]	[illegible]	0.375R	+30 (8¼%-04)	Société Générale
[illegible]							
City [illegible]	500	5.50	[illegible]	[illegible]	[illegible]	+10 [illegible]	ING Bank
[illegible]	200	6.00	[illegible]	[illegible]	[illegible]	[illegible] (6¼%-07)	ING Bank
ITALIAN LIRE							
Eurofima	500bn	7.70	[illegible]	[illegible]	[illegible]	-	BCI
Kingdom [illegible]	[illegible]	[illegible]	101.50	[illegible]	1.875	-	[illegible]
[illegible]	[illegible]	[illegible]	101.75	[illegible]	2.00	-	BNL
AUSTRALIAN [illegible]							
[illegible] Bank	100	[illegible]	101.01	[illegible]	1.50	-	[illegible] Wedd
[illegible]							
Spintab	150	[illegible]	[illegible]	Feb.1999	-	-	[illegible]

Final terms and non-callable unless stated. The yield spread (over relevant government bond) at launch is supplied by the lead [illegible] ‡Floating rate note. #Semi-annual coupon. R: fixed re-offer price; fees are shown at the re-offer level. a) Bonds are amortised at 2½% on par per quarter over 40 quarters. b) Coupon: 6-mth Libor +0.45% to 14/1/97 and 6% fixed annual thereafter. [illegible] 1st and last fixed coupons. Callable on 14/1/97 at par. c) Coupon: 6-mth Libor +0.6%. d) Short 1st & 2nd coupons. e) Tranche A. f) Tranche B. Coupon: 3-mth Libor +0.4%. g) Fungible with outstanding FFr2bn. Plus 88 days accrued. Spread is over [illegible] yield curve. h) Fungible with outstanding FFr3bn. Plus [illegible] days accrued.

WORLD BOND PRICES

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Day's change	Yield	Week ago	Month ago
Australia		10.000	10/02	121.1600	-0.900	6.76	[illegible]	6.84
Belgium		9.000	03/03	117.2300	-0.650	[illegible]	[illegible]	5.83
[illegible]		7.500	[illegible]	105.8000	[illegible]	[illegible]	6.65	6.77
Denmark		[illegible]	[illegible]	[illegible]	-0.350	[illegible]	6.16	[illegible]
France	BTAN	[illegible]	05/98	111.8800	[illegible]	[illegible]	[illegible]	6.07
	OAT	6.750	[illegible]	107.6600	-0.600	5.63	5.72	[illegible]
Germany		6.000	09/03	100.0500	[illegible]	5.58	5.63	5.87
Italy		9.000	10/03	103.3440	+0.144	8.49†	[illegible]	9.45
[illegible]	No 119	4.800	06/99	[illegible]	-0.010	[illegible]	2.43	2.57
	No 157	4.500	[illegible]	110.4340	-0.290	3.08	3.05	[illegible]
Netherlands		6.500	04/03	[illegible]	-0.630	5.59	5.61	5.84
Spain		[illegible]	[illegible]	115.3500	-0.780	[illegible]	[illegible]	8.55
UK Gilts		[illegible]	[illegible]	114-09	-12/32	5.70	5.64	5.87
		8.000	06/03	112-21	-27/32	6.21	6.16	6.52
		9.000	10/08	123-21	-36/32	[illegible]	5.94	[illegible]
US Treasury *		5.750	08/03	[illegible]	+3/32	[illegible]	[illegible]	[illegible]
		6.250	08/23	98-10	+6/32	6.38	6.23	6.28
ECU (French Govt)		[illegible]	04/03	114.0000	-0.580	5.96	[illegible]	6.35

London closing, *New York mid-day. Yields: Local market standard.
† Gross annual yield (including withholding tax at 12.5 per cent payable by nonresidents)
Prices: US, UK in 32nds, others in decimal. Source: MMS International

BOND FUTURES AND OPTIONS

France

■ NOTIONAL FRENCH BOND FUTURES (MATIF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	[illegible]	[illegible]	[illegible]	130.84	130.36	174,541	133,993
Jun	130.40	[illegible]	[illegible]	130.40	129.92	984	10,170
Sep	[illegible]	129.02	-0.56	129.52	[illegible]	2	[illegible]

■ LONG TERM FRENCH BOND OPTIONS (MATIF)

Strike Price	CALLS Feb	CALLS Mar	CALLS Jun	PUTS Feb	PUTS Mar	PUTS Jun
127	-	-	-	-	0.11	0.47
128	-	-	-	-	0.20	[illegible]
129	-	1.79	-	0.16	0.35	1.01
130	-	1.08	-	[illegible]	0.65	-
131	0.26	0.65	0.94	0.90	1.12	-
132	0.08	0.24	-	-	-	-

Est. vol. total, Calls 13,361 Puts 32,136. Previous day's open int., Calls 207,734 Puts 217,168.

Germany

■ NOTIONAL GERMAN BUND FUTURES (LIFFE)* DM250,000 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	101.[illegible]	100.96	[illegible]	[illegible]	100.91	[illegible]	[illegible]
Jun	101.33	100.61	-0.37	101.33	[illegible]	[illegible]	1178

■ BUND FUTURES OPTIONS (LIFFE) DM250,000 points of 100%

Strike Price	CALLS Mar	CALLS Jun	PUTS Mar	PUTS Jun
10050	[illegible]	1.26	0.42	[illegible]
10100	0.61	1.00	0.65	[illegible]
10150	0.40	0.78	[illegible]	1.37

[illegible] total, Calls 13401 Puts 12209. Previous day's open int., Calls 172073 Puts 100656

■ NOTIONAL MEDIUM TERM GERMAN GOVT. BOND (BOBL)(LIFFE)* DM250,000 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
[illegible]	[illegible]	103.41	-0.17	103.63	103.38	892	[illegible]

Italy

■ NOTIONAL ITALIAN GOVT. BOND (BTP) FUTURES (LIFFE)* Lira [illegible] 100ths of [illegible]

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	118.70	[illegible]	-0.50	[illegible]	117.85	35890	[illegible]
[illegible]	118.70	[illegible]	[illegible]	118.76	118.00	32	165

■ ITALIAN GOVT. BOND (BTP) FUTURES [illegible] 100ths of 100%

Strike Price	CALLS Mar	CALLS Jun	PUTS Mar	PUTS Jun
11750	[illegible]	3.09	1.40	2.55
11800	[illegible]	2.84	1.63	[illegible]
11850	[illegible]	2.60	1.87	[illegible]

Est. vol. total, Calls 998 Puts 1017. Previous day's open int., Calls 36879 Puts 37509

Spain

■ NOTIONAL SPANISH BOND FUTURES (MEFF)

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	105.05	104.89	-0.68	[illegible]	105.85	23,271	80,017
Jun	105.25	104.92	-0.44	105.40	105.00	249	7,976

UK

■ [illegible] GILT FUTURES (LIFFE)* £50,000 [illegible] of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	120-04	119-12	-0-31	120-04	119-02	63453	101354
Jun	119-00	118-20	-0-31	119-00	119-00	1	79

■ [illegible] FUTURES [illegible] (LIFFE) [illegible] 100%

Strike Price	CALLS Mar	CALLS Jun	PUTS Mar	PUTS Jun
[illegible]	1-26	1-55	1-02	2-15
120	0-59	1-27	1-35	2-51
121	0-38	1-04	2-12	3-28

Est. vol. total, Calls 1025 Puts 1920. Previous day's open int., Calls 77007 Puts 30648

Ecu

■ [illegible] (MATIF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	121.90	121.66	-0.44	121.96	121.54	2 169	12,277
Jun	-	97.10	-0.40	-	-	-	-

US

■ US [illegible] BOND [illegible] (CBT) [illegible] 100%

	Open	[illegible]	Change	High	Low	Est. vol	Open int.
Mar	113-15	113-25	+0-05	113-28	113-11	60,495	275,872
Jun	112-16	112-22	+0.04	112-24	112-13	1,537	12,371
Sep	111-23	111-23	-	111-23	111-23	1,015	16,124

Japan

■ NOTIONAL LONG TERM JAPANESE [illegible] BOND [illegible] (LIFFE) Y100m 100ths [illegible]

	Open	Close	Change	High	Low	Est. vol	Open int.
Mar	117.06			117.10	116.95	8[illegible]	[illegible]

* LIFFE contracts [illegible] on APT. All Open [illegible] are for previous day.

FT-ACTUARIES FIXED INTEREST INDICES

Price Indices [illegible] Gilts	Tue Jan 4	Day's change %	Fri Dec [illegible]	[illegible]	xd [illegible] ytd
1 Up to 5 years (25)	129.91	-0.16	130.12	1.95	0.00
2 5-15 years (22)	162.89	-0.84	164.04	2.25	[illegible]
[illegible] Over [illegible]	189.82	-0.91	191.27	2.01	0.00
4 Irredeemables (6)	227.34	-1.08	229.83	1.39	[illegible]
5 All [illegible] (61)	157.45	-0.55	158.37	2.12	0.05

	Low coupon yield Jan 4	Dec 31	Yr. ago	Medium coupon yield Jan 4	Dec 31	Yr. ago	High coupon yield Jan 4	Dec 31	Yr. ago
[illegible] yrs	5.66	5.57	[illegible]	5.87	5.78	7.50	5.97	5.86	7.73
[illegible] yrs	6.37	6.26	8.26	6.48	6.38	8.66	6.69	6.59	8.92
[illegible] yrs	6.47	[illegible]	8.50	6.53	[illegible]	8.85	6.71	6.61	9.00
Irred.†	6.59	6.52	8.85						

Index-linked	Tue Jan 4	Day's change %	Fri Dec [illegible]	[illegible]	xd [illegible] ytd
6 Up [illegible] years (2)	191.41	-0.25	191.89	1.29	[illegible]
7 Over 5 years (11)	193.07	-0.56	[illegible]16	0.78	[illegible]
8 All stocks (13)	[illegible]96	-0.53	192.97	0.83	0.00

	Inflation [illegible] Jan [illegible]	Dec 31	Yr. ago	Inflation 10% Jan 4	Dec 31	Yr. ago
Up to [illegible] yrs	2.13	2.04	2.59	1.30	1.20	1.79
[illegible] 5 yrs	2.80	[illegible]	3.83	[illegible]	2.68	3.54

Debentures and Loans	Tue Jan 4	Day's change %	Fri Dec [illegible]	[illegible]	xd ytd
[illegible]	152.01	-0.65	153.11	2.26	0.11

	5 year yield Jan 4	Dec 31	Yr. ago	15 year yield Jan 4		Yr. ago	25 year yield Jan 4	Dec 31	Yr. ago
[illegible]	7.26	7.09	8.88	7.54	7.45	9.85	7.66	[illegible]	10.06

Average gross redemption yields are [illegible]. Coupon Bands: [illegible] 0%-7¾%; Medium: 8%-10¾%; [illegible] over. † Flat [illegible] yld Year to date.

FT FIXED INTEREST INDICES

	Jan [illegible]	Dec 31	Dec 30	Dec 29	Dec [illegible]	Yr ago	High*	Low*
Govt. Secs. (UK)	106.91	107.60	107.58	107.56	107.19	[illegible]	107.80	93.28
Fixed Interest	131.68	132.03	131.71	131.49	131.46	[illegible]	[illegible]	[illegible]

* for 1993/94. Government Securities high [illegible] 127.40 (9/1/35), low 49.18 (3/1/75). [illegible] high since compilation: 132.03 (31/12/93), [illegible] (3/1/75). [illegible] 100: [illegible] Fixed Interest 1928. SE activity [illegible] rebased [illegible]

GILT EDGED ACTIVITY INDICES

	Dec 31	Dec 30	Dec 29	Dec 24	Dec 23
Gilt Edged bargains	34.5	61.4	51.1	36.8	[illegible]
[illegible] average	52.5	59.6	65.9	76.2	[illegible]

[illegible] INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Latest prices at 7:00 pm on January [illegible]

	Issued	Bid	Offer	Chg.	Yield
U.S. DOLLAR STRAIGHTS					
Abbey Natl Treasury 6½ 03	1000	100⅛	100⅝	-½	[illegible]
Alberta Province 9⅜ 95	600	108¼	108⅝	-⅛	4.51
Austria 8½ 00	400	113½	113¾	-¼	5.79
Bank of Tokyo 8⅜ 96	100	107⅞	108¼	+¼	[illegible]
Belgium 9⅜ 98	250	115⅜	118⅛	-⅜	[illegible]
BFCE 7¾ 97	150	107⅝	108¼	-¼	[illegible]
British Gas 0 21	1500	12⅞	13⅛	-¼	7.68
Canada 7 96	1000	[illegible]	108⅛	-¼	4.61
CCCE 9¼ 95	300	105⅜	106⅛	-⅛	4.05
Cheung Kong Fin 5½ 98	500	[illegible]	97¼	-⅛	6.24
Council Europe 8 96	100	107¼	107¾	-⅛	4.93
Credit Foncier 9½ 99	300	116½	116⅞	-⅜	5.70
Denmark 9¼ 98	1571	105⅞	106⅛	-⅛	4.16
ECSC 8¼ 96	193	108½	109⅛	-¼	5.03
EEC 6¼ 98	100	107½	108	-¼	4.92
EIB 7¾ 96	250	106⅞	107¼	-⅛	4.81
EIB 9¼ 97	1000	113⅝	113¾	-⅜	5.32
Elec de France 9 98	200	112⅞	113⅛	-⅜	5.47
Eurofima 9¼ 96	100	109⅛	109¾	-⅛	4.75
Ex-Im Bank Japan 8 02	500	111¼	111⅝	-⅜	6.23
Export Dev Corp 9½ 98	150	115½	115⅝	-⅜	5.61
Finland 7⅞ 97	[illegible]	107	107¼	-¼	5.34
Finnish Export 9½ 95	200	108⅞	[illegible]	+⅛	4.44
Ford Motor Credit 6¼ 98	[illegible]	100⅛	102½	-⅛	5.75
Gen Elec Capital 9⅞ 96	300	109⅞	110⅛	-¼	4.93
GMAC 9⅛ 95	300	107⅞	108½		5.21
Ind Bk Japan Fin 7⅞ 97	200	107¼	107⅞		5.39
Inter Amer Dev 7¾ 96	[illegible]	106¾	107¼	-¼	4.87
Italy 6⅞ 23	[illegible]	93⅞	94¼	-⅞	7.52
Japan Dev Bk 8⅜ 01	500	113⅛	113⅝	-⅜	6.01
Kansai Elec Pwr 10 96	[illegible]	110⅝	111⅛	-¼	4.86
LTCB Fin 8 97	200	106¾	107½	-⅜	5.52
Matsushita Elec 7¼ 02	1000	105⅛	105½	-⅝	6.57
Nippon Cred Bk 10⅜ 95	[illegible]	107⅝	108⅜	-¼	4.97
Nippon Tel Tel 9⅜ 95	300	105⅞	106¼		4.08
Norway 7¼ 97	1000	106⅛	106⅝	-¼	5.08
Ontario 7⅜ 03	3000	105¾	106⅛	-½	6.63
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Issued	Bid	Offer	Chg.	Yield
United Kingdom 7¼ 97	5500	[illegible]	107		6.09
Volkswagen Intl Fin 7 03	1000	[illegible]	[illegible]	+¼	[illegible]
World Bank 0 15	2000	[illegible]	[illegible]	-⅞	[illegible]
World Bank 5¾ 98	300	[illegible]	[illegible]	[illegible]	[illegible]
World Bank 8¾ 00	1250	117[illegible]	[illegible]	[illegible]	[illegible]
[illegible] FRANC STRAIGHTS					
Asian Dev Bank 6 10	100	11[illegible]	[illegible]	[illegible]	[illegible]
Austria 4½ 00	1000	10[illegible]	[illegible]	[illegible]	[illegible]
Council Europe 4¾ 98	250	104[illegible]	[illegible]	[illegible]	[illegible]
EIB 6¾ 04	300	114[illegible]	[illegible]	[illegible]	[illegible]
Elec de France 7¼ 06	100	11[illegible]	[illegible]	[illegible]	[illegible]
Finland 7¼ 99	300	114[illegible]	[illegible]	[illegible]	[illegible]
General Motors 7½ 95	100	103[illegible]	[illegible]	[illegible]	[illegible]
Hyundai Motor Fin 8½ 97	100	109[illegible]	[illegible]	[illegible]	[illegible]
Iceland 7⅞ 00	100	11[illegible]	[illegible]	[illegible]	[illegible]
Kobe 6⅝ 01	240	112[illegible]	[illegible]	[illegible]	[illegible]
Ontario 6¼ 03	400	11[illegible]	[illegible]	[illegible]	[illegible]
Quebec Hydro 5 08	100	10[illegible]	[illegible]	[illegible]	[illegible]
SNCF 7 04	450	119[illegible]	[illegible]	[illegible]	[illegible]
World Bank 5 03	150	102[illegible]	[illegible]	[illegible]	[illegible]
World Bank 7 01	600	116[illegible]	[illegible]	[illegible]	[illegible]
YEN [illegible]					
Belgium 5 [illegible]	75000	[illegible]	[illegible]	[illegible]	[illegible]
Denmark 7 95	40000	105[illegible]	[illegible]	[illegible]	[illegible]
EIB 6⅝ 00	100000	118[illegible]	[illegible]	[illegible]	[illegible]
Elec de France 5⅝ 95	30000	108[illegible]	[illegible]	[illegible]	[illegible]
Finland 6¾ 96	50000	109[illegible]	[illegible]	[illegible]	[illegible]
Inter Amer Dev 7¼ 00	30000	12[illegible]	[illegible]	[illegible]	[illegible]
Japan Dev Bk 5 99	100000	110[illegible]	[illegible]	[illegible]	[illegible]
Japan Dev Bk 6½ 01	120000	120[illegible]	[illegible]	[illegible]	[illegible]
Nippon Tel Tel 5⅞ 96	50000	[illegible]	[illegible]	[illegible]	[illegible]
Norway 5⅛ 95	50000	103[illegible]	[illegible]	[illegible]	[illegible]
SNCF 6¾ 00	30000	118[illegible]	[illegible]	[illegible]	[illegible]
Sweden 5⅝ 95	20000	10[illegible]	[illegible]	[illegible]	[illegible]
World Bank [illegible] 00	50000	119[illegible]	[illegible]	[illegible]	[illegible]
OTHER STRAIGHTS					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Issued	Bid	Offer	Chg.	Yield
Alliance Leics 11⅛ 97 £	100	115¼	116¼	-¼	6.01
British Gas 12¼ 95 £	300	108¼	108⅝	+⅛	[illegible]
British Land 12½ 16 £	150	142½	[illegible]	-⅞	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
FLOATING RATE NOTES					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] BONDS					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

STRAIGHT BONDS: The yield is the yield to redemption of the bid-price; the amount issued is in millions of currency units. Chg. day=Change on day. FLOATING RATE NOTES: [illegible] CONVERTIBLE BONDS: [illegible]

UK GILTS PRICES

"Shorts" (Lives up to Five Years)

Treas 8½pc 1994	8.46	5.38	100[illegible]	[illegible]	105[illegible]	[illegible]
14½pc 1994‡‡	14.30	5.23	101[illegible]	-[illegible]	109¼	101[illegible]
Exch 13½pc 1994	13.16	5.15	102[illegible]	-[illegible]	109[illegible]	101[illegible]
Treas 10pc Ln 1994‡‡	9.79	5.11	102[illegible]	-[illegible]	105[illegible]	102[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Funding 3½pc '99-4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Conversion 9½pc 2004	[illegible]	[illegible]	124[illegible]	-1[illegible]	125[illegible]	105[illegible]
Treas 6¾pc 2004	[illegible]	6.24	104[illegible]	-[illegible]	105[illegible]	97[illegible]
[illegible] A (£50 Pd)	[illegible]	[illegible]	[illegible]	-[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Index-Linked	Notes					
Treas 2pc '94	(102.9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible] Fixed Interest

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* "Tap" stock. ‡‡ Tax free to non-residents on application. E Auction basis. xd Ex dividend. Closing mid-prices are shown in pounds.

Banks approve Eurotunnel funding plan

[redacted] Charles Batchelor, Transport Correspondent

Shares in Eurotunnel, the company which will operate the Channel tunnel, [redacted] 630p yesterday on news [redacted] it had [redacted] approval [redacted] its banks [redacted] raise an [redacted] £1bn in funding.

The agreement [redacted] with the company's 23 main banks clears the way for it [redacted] go [redacted] with detailed negotiations on [redacted] further £500m of bank [redacted] and for [redacted] planned [redacted] rights issue.

However, it [redacted] not automatically signify [redacted] the banking consortium will provide the loans.

[redacted] of which banks will provide the additional loans [redacted] form [redacted] lending will [redacted] have still to [redacted] negotiated though Eurotunnel [redacted] it already [redacted] good [redacted] where most of [redacted] money would come from.

Under [redacted] agreement with the banking syndicate Eurotunnel will provide fresh security over [redacted] from its operating concession, recently [redacted] from 55 to 65 [redacted]

Mr John Noulton, administration director, [redacted] "This represents [redacted] dilution of the banks' present security. It [redacted] they [redacted] taking a judgment [redacted] the likely [redacted] are robust enough [redacted] provide [redacted] security."

Approval for the [redacted] in Eurotunnel's funding requirement from £9bn [redacted] £10bn will also [redacted] modifications in [redacted] agreement, including changes [redacted] the financial ratios which the company will [redacted]

It described [redacted] as [redacted] cal changes but said they would probably [redacted] until [redacted] of February to [redacted] out.

The rights issue, which [redacted] given shareholder approval [redacted] month, [redacted] ted to [redacted] place between [redacted] and [redacted] opening of [redacted] in May.

[redacted] Lex

Churchill receives further £5m cash injection

[redacted] Richard Lapper

Churchill [redacted] yesterday announced [redacted] its parent [redacted] pany, Winterthur [redacted] Switzerland, had injected [redacted] tional capital, paving [redacted] way for [redacted] further expansion this year in telephone sales of motor insurance.

The new capital injection follows one of £6m last October and brings the company's [redacted] paid-up capital [redacted]

The group insures about [redacted] motorists and began marketing home [redacted] pol-[redacted] last year. It currently insures [redacted] 35,000 household-[redacted] and [redacted] month expects [redacted] pre-tax profits of [redacted] for 1993.

In [redacted] separate development, Churchill [redacted] management control [redacted] Winterthur Tell, [redacted] new Winterthur subsidiary [redacted] Denmark. Like Churchill, Winterthur Tell will sell [redacted] by telephone directly to the public.

Lloyd Thompson moves into P&I business

By Richard Lapper

Lloyd Thompson, [redacted] insurance broker, yesterday announced [redacted] deal which will [redacted] into marine liability [redacted] business.

The [redacted] which specialises in offshore [redacted] and reinsurance business, has [redacted] agreement with Traveltest, a new [redacted] lead by Mr Mike [redacted]

[redacted] pro-tection and indemnity [redacted] to LT in return for a share of the brokerage commission. Mr Amiss, Traveltest's principal shareholder, [redacted] previously with Godfrey [redacted]

LT has [redacted] majority interest in the new company's voting shares, [redacted] it [redacted] control over [redacted] entity.

In addition it has a 15 per cent [redacted] non-voting capital [redacted] options over the remaining 85 [redacted] Existing [redacted] have an option to sell to LT [redacted] or [redacted] while LT [redacted] an option to purchase for cash [redacted] remaining 85 per cent of the non-voting shares.

Glaxo acts over patent

By Daniel Green

[redacted] has begun further patent infringement action against Genpharm, a Canadian drug manufacturer which wants [redacted] make [redacted] generic version of Glaxo's Zantac, the world's best selling drug. At stake [redacted] a slice of [redacted] market [redacted] worth $1.9bn (£1.3bn) [redacted] year [redacted] in the US alone.

Glaxo's move [redacted] to a [redacted] challenge [redacted] Zantac's patents by Genpharm in the wake of [redacted] court ruling in favour [redacted] in September [redacted] Genpharm [redacted] now challenging [redacted] of Glaxo's US patents [redacted] drug.

EFM to establish new US venture

By Norma Cohen, Investments Correspondent

Edinburgh Fund Managers, the fund management com-[redacted] is [redacted] a new venture based in Atlanta, Georgia, [redacted] market its investment [redacted] to the North American market.

EFM [redacted] one of a number of UK fund management compa-[redacted] which have achieved [redacted] cess in attracting international fund management mandates from US pension funds seeking to diversify [redacted] outside [redacted] US. According to InterSec Research Corporation, which specialises in pension fund research, [redacted] value of US pen-[redacted] rose by nearly $50bn [redacted] in [redacted] first [redacted] months of [redacted]

[redacted] survey from the [redacted] Fund Managers Association, [redacted] UK-based [redacted] group, found that [redacted] managed by its members increased by 41.9 per cent in 1992 while [redacted] value of UK [redacted] by [redacted] more [redacted] 17.7 per cent. The sur-[redacted] found [redacted] North America and [redacted] Asia were by far [redacted] larger market for non-UK business than Europe.

EFM [redacted] it was already managing more than $200m for US clients and [redacted] "feels it has the [redacted] critical mass to merit [redacted] greater [redacted] ence." EFM [redacted] American partnership, [redacted] month, [redacted] Wilmington Trust Company. EFM will continue [redacted] manage the partnership funds under management [redacted] will [redacted] be responsible for [redacted] client service support. Actual fund management activities will continue [redacted] in Edinburgh.

Pentland pays £20m for Italian sports company

By David Blackwell

Pentland Group, the cash-rich [redacted] brands [redacted] yesterday paid L50.6bn (£19.7m) for 90 per [redacted] Ellesse, [redacted] Italian sports goods [redacted]

Ellesse makes sportswear, concentrating [redacted] skiing and tennis.

Pentland has distributed Ellesse clothing [redacted] the UK [redacted] 12 years. [redacted] acted [redacted] UK [redacted] for its footwear [redacted] the past [redacted] years.

Mr Richard Stevens, com-[redacted] secretary, [redacted] yesterday [redacted] Pentland felt [redacted] brand might have "lost [redacted] little in the last few years", [redacted] it had a first class pedigree.

"We think it will prove [redacted] be [redacted] good investment [redacted] this price."

Pentland would sharpen up [redacted] image and improve world-wide distribution, he said.

[redacted] products would complement rather than compete with Pentland's existing brands.

For example, Ellesse swim-[redacted] was more style oriented [redacted] Pentland's Speedo, which was aimed [redacted] competitive swimmers.

Mr Leonardo Servadio, founder [redacted] Ellesse, will [redacted] the remaining 10 per [redacted] of the company.

He has the right [redacted] require [redacted] buy his stake in certain circumstances, [redacted] has a similar right to acquire his stake. Maximum consideration would be L12.5bn.

Pentland will [redacted] a deferred consideration [redacted] 10 per cent of profits [redacted] and [redacted] if they total more [redacted] L48bn for the [redacted] in 1998. Maximum payment would be L7.2bn.

In the year to [redacted] Ellesse [redacted] profits [redacted] L4.1bn.

Mr Stevens said Pentland would continue [redacted] look for larger acquisitions in the branded [redacted] durables [redacted]

[redacted] the end of the six months to June 30 [redacted] Pentland had [redacted] of £252.9m. Pre-tax profits [redacted] £6.7m on turnover [redacted] losses and closure costs [redacted] its [redacted] trade finance business.

[redacted] April it paid a 12p [redacted] cial dividend from [redacted] profit on the sale of its 20 per cent stake in Adidas, [redacted] sports goods [redacted]

Ashley Ashwood

Richard [redacted], and David Bernstein, joint managing director, getting into the swing of the game with model Charlie

Torex Hire moves back into black

Improved trading conditions in [redacted] second half [redacted] return to the [redacted] with [redacted] pre-tax profit of [redacted] for [redacted] ended October 31, against a [redacted] last time.

[redacted] halfway, losses [redacted] been [redacted] £290,000 [redacted]

Turnover [redacted] the tool, plant [redacted] catering equipment hirer [redacted] from £4.21m [redacted] £4.49m over [redacted] year.

Tool hire [redacted] for [redacted] (71 [redacted] cent) [redacted] nue. [redacted] diversification into other activities [redacted] proving [redacted] and [redacted] was looking [redacted] to [redacted] expansion.

Earnings per share [redacted] 0.67p (2.09p losses) while [redacted] dividend is stepped up [redacted] cent [redacted] 0.6p (0.4p).

$28.9m management buy-out at APV arm

By Paul Taylor

APV, which supplies processing equipment [redacted] food [redacted] drink industries, has [redacted] Douglas [redacted] Corporation to its management for $28.9m (£19.4m) cash.

The disposal is [redacted] undertaken by Mr Clive Strowger. He [redacted] appointed chief executive [redacted] and [redacted] launched [redacted] restructuring programme [redacted] refocus APV, which expanded rapidly through acquisition in [redacted]

The sale [redacted] Douglas, which [redacted] packing machines [redacted] other packaging equipment, [redacted] of the [redacted] packaging businesses, [redacted] Forgrove [redacted] January [redacted] year [redacted] Ortmann [redacted] in November.

Yesterday Mr Strowger said: "We [redacted] concentrating [redacted] skills in application [redacted] pro-[redacted] engineering, [redacted] and project [redacted] manufacturing key components, [redacted] pumps, valves, heat exchangers and homogenisers."

Douglas reported pre-tax profits [redacted] $4m for 1992 and had net [redacted] of [redacted] year. It [redacted] acquired by [redacted] newly [redacted] by [redacted] Capital Management [redacted] members of Douglas' [redacted] management who have a minority equity interest. [redacted] part [redacted] deal [redacted] of [redacted] has [redacted] retained by Douglas.

APV expects [redacted] report [redacted] profit on [redacted] of [redacted] transaction [redacted] writing [redacted] goodwill [redacted] £1.6m previously written off against [redacted] The [redacted] will be [redacted]

Bonuses static at GA and Friends Provident

By Bethan Hutton

[redacted] Provident began the 1994 [redacted] of with-profits endowment [redacted] with maturity values for [redacted] year policies only marginally changed.

The value of a 25-year GA endowment maturing on January 1 this year is £65,604, an increase of 0.2 per cent on last year. The figure uses the standard industry assumptions of a policy started by a man aged 29 paying [redacted] monthly premiums.

General Accident's pay-out on [redacted] 10-year endowment, [redacted] on the [redacted] assumptions, slipped 0.4 per cent [redacted] £6,567, after [redacted] drop of [redacted] per cent [redacted] year.

Many insurers have [redacted] bonuses in [redacted] to compensate [redacted] over-generosity in the past. However, Mr [redacted] Heslop, marketing actuary for GA [redacted] company's pay-outs on endowment poli-[redacted] were [redacted] at [redacted] level, roughly in [redacted] with their asset [redacted]

[redacted] Provident's 25-year pay-out is up 0.2 [redacted] its 10-year [redacted] out [redacted] down [redacted] per [redacted] at £6,709.

Friends Provident said it expected lower investment returns in the future would reduce bonus rates, but this year's excellent investment returns [redacted] bonus [redacted] to be maintained.

DIVIDEND ANNOUNCED

	[redacted] payment	[redacted] of payment	Corres - ponding [redacted]	[redacted] for [redacted]	Total [redacted]
[redacted] § ....fin	[redacted]	April [redacted]	0.4	[redacted]	0.4

Dividend shown pence per share net. §USM stock.

New structure and sectors of the All-Share Index

The UK [redacted] published [redacted] today's FT are the first to use the revised FT-SE Actuaries classification, [redacted] Peter Martin.

The traditional All-Share categories have been given [redacted] first thorough [redacted] haul in two decades, to yield sectors that [redacted] accurately reflect [redacted] shape of today's market. [redacted] have [redacted] merged or [redacted] as their [redacted] importance has changed.

The new [redacted] system is [redacted] special interest [redacted] FT readers because [redacted] shapes the layout of the paper's share price listings, the London [redacted] As a result of the changes, several hundred of the 3,000 or so securities quoted on the pages change [redacted]

To ease the transition, yesterday's FT provided [redacted] full alphabetical list of shares carried in the London Share Service. Readers may wish to use it for reference so as to find their way easily around the [redacted]

[redacted] particular change worth noting. Foreign stocks [redacted] not part [redacted] main [redacted] categorised as Americans, Canadians, [redacted] from the beginning [redacted] end.

[redacted] regret any inconvenience [redacted] readers by the change of sectors, and hope that [redacted] will be short-lived as the [redacted] structure [redacted] familiar. Though we believe that the service is improved, we are con-[redacted] disruption to long-established habits [redacted] its [redacted] After this [redacted] of activity, [redacted] hoping [redacted] period of [redacted] stability.

The [redacted] the FT-SE [redacted] Index (formerly the FT-Actu-[redacted] All-Share) is [redacted] below. It contains three tiers: Economic groups, Industry sectors and Sub-sectors. Each company has been allocated to the industry sub-sector whose definition most closely describes the nature of its business.

● [redacted] information on [redacted] Industry Classification System, including [redacted] of [redacted] Classification [redacted] Rules, can [redacted] writing [redacted] The Secretary, [redacted] Classification Committee, [redacted] Times, One [redacted] London [redacted]

For further information on [redacted] FT-SE Actuaries [redacted] electronic data feeds, please contact the Finstat Help Desk on 071-873-4613. For further [redacted] the [redacted] Index Data Services please contact the Indices Unit at the London Stock Exchange on 071-797-4400.

THE NEW FT-SE ACTUARIES INDICES CLASSIFICATIONS

10 MINERAL EXTRACTION

[redacted] 12 Extractive Industries
123 Gold Mining — Prospectors for, extractors and refiners of gold bearing ores
[redacted] Other Mineral [redacted] & Mines — Companies engaged in the extraction of minerals other than gold
129 Mining Finance — Finance houses engaged in financing and developing mining interests or deriving an income from mining interests

■ SECTOR 15 Oil, Integrated
150 Oil, Integrated — [redacted] engaged in the exploration for, production, refining, distribution and supply of mineral oil and gas [redacted]

■ SECTOR 16 Oil [redacted]
162 Oil Exploration & Production — Companies engaged in the exploration for and production of, mineral oil and gas
165 Oil [redacted] — Providers of services for oil exploration and production

20 GENERAL MANUFACTURERS

■ SECTOR 21 Building & Construction
[redacted] Building & Construction — Builders, house builders, civil engineers, manufacturers of prefabricated buildings and structures, plant hire contractors

■ SECTOR 22 Building [redacted]
222 Building Materials — Producers of materials used in the construction and refurbishment of buildings and structures; including refractory materials
225 Builders Merchants — Wholesalers and retailers of building materials; timber importers and sawmills

■ SECTOR 23 Chemicals
232 Chemicals, Commodity — Producers of commodity and industrial chemicals, industrial gases, coatings and paints, fibres and films
234 Chemicals, Speciality — Producers of fine chemicals, biocides, dyestuffs and chemicals for specialised applications
236 Chemicals, Materials Technology — Producers of cellular polymers, natural and synthetic rubber lattices and specialist plastic sheeting

■ SECTOR 24 Diversified Industrials
240 Diversified Industrials — Companies engaged in three, or more, classes of business that differ substantially from each other, no one of which contributes 50%, or more, of pre-tax profit, nor less than 10%

■ SECTOR 25 Electronic and Electrical Equipment
252 Electrical Equipment — Producers of electrical components and equipment
253 Electronic Equipment — Producers of electronic components and equipment
256 Office Machinery — Manufacturers, suppliers and service [redacted] of office copiers and related equipment

■ SECTOR 26 Engineering
261 Engineering, Metallurgy — Producers of metals, [redacted] thereof and processors of such [redacted] into forms for [redacted] use
262 Engineering Fabricators — Producers of castings, pressings, welded shapes; fabricators and erectors of structural steelwork
263 Engineering, Specialities — Metal finishers, shipbuilders and repairers (excluding defence), and [redacted] of specialist items
264 Engineering, [redacted] — Designers, manufacturers and installers of industrial plant and pollution control equipment
265 Engineering, Diversified — Diversified engineering companies not classified elsewhere
266 Engineering, Aerospace & Defence — Producers of components and equipment for the aircraft and defence industries. Assemblers of aircraft and defence ships
269 Instruments, Tools & Mechanical Handling Equipment — Scientific instruments makers, producers of machine tools, trade tools, bearings, material handling equipment and packaging machinery

■ SECTOR 27 Engineering, Vehicles
270 Vehicle Components & Assemblers — Manufacturers of vehicle components and the assembly thereof

■ SECTOR 28 Printing, Paper & Packaging
282 Paper & Packaging — Producers, converters and merchants of all grades of paper. Manufacturers of containers from paper, board, plastic, film, glass and metal
284 Printing — Printing

■ SECTOR 29 Textiles & Apparel
291 Clothing Manufacturers — Manufacturers of all types of clothing
293 Wool — Processors of wool and wool cloth manufacturers
295 Textiles, Diversified — Manufacturers of cotton and synthetic fibre materials and goods other than clothing
297 Footwear & Leather — Processors of hides and skins. Manufacturers of footwear and leather goods
299 Giftware & Costume Jewellery — Manufacturers and importers of costume jewellery and giftware

30 CONSUMER GOODS

■ SECTOR 31 Breweries
310 [redacted] — Brewers and operators of public houses

■ SECTOR 32 Spirits, Wines & Ciders
320 Spirits, Wines & Ciders — Distillers of spirits, importers of wines, vintners and cider makers

■ SECTOR 33 Food Manufacturers
330 Food Manufacturers — Producers and processors of food

■ SECTOR 34 Household Goods
342 Furniture & Furnishings — Manufacturers of furniture and furnishings, kitchenware, domestic hardware, cutlery and ceramic tableware
[redacted] [redacted] Covering — Manufacturers of carpets and other materials for covering floors
346 Household Requisites — Producers of detergents, soaps, toiletries, cosmetics, hygiene products and polishes

[redacted] 36 Health Care
360 [redacted] Care — Private hospitals, nursing homes and residential homes, agencies for doctors and nurses, medical research laboratories, manufacturers of diagnostic materials, artificial limbs, and medical requisites, wholesalers and designated distributors of pharmaceutical products, manufacturers of opticians' supplies

■ SECTOR 37 Pharmaceuticals
370 Pharmaceuticals — Developers and manufacturers of ethical drugs

■ SECTOR 38 Tobacco
380 [redacted] — Cigarette and tobacco manufacturers

40 SERVICES

■ SECTOR 41 Distributors
[redacted] [redacted] of [redacted] Components [redacted] — Distributors, wholesalers and/or stockists [redacted] electrical, electronic, engineering and vehicle components equipment and supplies
[redacted] [redacted] Distributors — Distributors, sales and servicing of vehicles
[redacted] [redacted] Others — Distributors, wholesalers and/or stockists of products other than those classified elsewhere

■ SECTOR 42 Leisure [redacted] Hotels
422 Leisure — Companies engaged in the entertainment and travel industry, personal hobbies, games and toys
424 Hotels & Caterers — Hoteliers, restaurateurs, caterers and holiday camp companies

■ SECTOR 43 Media
432 Media Agencies — Advertising, marketing and public relations agencies and consultants
434 Broadcasting Contractors — Independent radio and television contractors. Companies providing facilities and/or [redacted] for contractors
436 Publishing — Newspaper, periodical, book and electronic data publishers

■ SECTOR 44 Retailers, Food
[redacted] [redacted] and [redacted], Food — Retailers and wholesalers of food products

■ SECTOR 45 Retailers, General
452 Retailers, Multi Department — Retail outlets with more than one department, selling a varied range of goods
[redacted] Retailers, Chain Stores — Shops concentrating on the sale of [redacted] single class of goods, other than food or vehicles

[redacted] 46 Support Services
461 Business Support Services — [redacted] of non-financial services to [redacted] which could have been provided "in-house"
462 Education, Business Training [redacted] Employment Agencies — Providers of education, business and management training courses and [redacted] services
[redacted] Security & Alarm Services — Companies installing, servicing and monitoring alarm systems and those providing security services
466 Laundries & Cleaners — Launderers and dry cleaners
[redacted] Computer Services — Consultants for information Technology, producers of software and computer maintenance services

[redacted] 49 [redacted]
490 Transport — Shippers, docks, road hauliers, railway operators, airlines, airports and other services to transport

■ SECTOR 51 Other Service & Businesses
512 Pollution Control — Providers of solid and hazardous waste management services
514 Plantations — Owners of plantations
[redacted] Other Businesses — Other businesses not specified elsewhere

60 UTILITIES

[redacted] 62 [redacted]
[redacted] [redacted] — Generators and distributors of electricity

[redacted] 64 Gas [redacted]
[redacted] Gas Distribution — Distributors of natural and manufactured gas

■ SECTOR 66 [redacted]
660 [redacted] — Operators of telephone networks

■ SECTOR 68 Water
680 Water — Companies and Authorities responsible for the provision of water and the removal of sewage

70 FINANCIALS

[redacted] 71 Banks
710 [redacted] — Banks authorised under the Banking Act

■ SECTOR 73 Insurance
[redacted] Insurance Brokers — Insurance and life assurance agencies
[redacted] Insurance, Composite — Companies engaging in accident, fire, marine and other [redacted] of [redacted] business
[redacted] Insurance, Lloyd's Funds — Investment companies and trusts involved in insurance [redacted]

[redacted] 74 Life Assurance
740 Life Assurance — Companies engaging principally in life assurance business

■ SECTOR 75 [redacted] Banks
[redacted] Merchant Banks — Members of the British Merchant Banks and Securities Houses Association

■ SECTOR 77 Other Financial
[redacted] Financial, Other — Financial holding companies and companies engaged in financial activities not specified elsewhere
774 [redacted] Houses — Members of the London Discount Houses Association
[redacted] Insurance Brokers — Insurance and life assurance agencies
778 Investment Companies — Investment companies registered in the UK, denominated in sterling, but not approved under S.[redacted] of the Income and Corporation Taxes Act 1988

■ SECTOR 79 Property
[redacted] Property — Companies specialising in the ownership and/or development of property assets
794 Property Agencies — Estate agents, surveyors, architects and space planners

80 INVESTMENT TRUSTS

■ SECTOR 80 Investment Trusts
800 Investment Trusts — Trusts registered in the UK whose accounts and denominated in sterling and approved under S.842 of [redacted] Income and Corporation [redacted] Act 1988 and authorised unit trusts as defined under S.468(b) of the Act excluding Lloyd's [redacted]

(90) Industry sectors not eligible for inclusion in the FT-SE Actuaries Share [redacted] are:
[redacted] [redacted] Investment Companies & Funds — Investment Companies & Funds not approved under S.842 of the Income Investment Companies & Taxes Act 1988, and either registered outside the United Kingdom or denominated, accounting or quoted in a foreign currency.
905 Other S.842 Investment Trusts — Investment Trusts, approved under S.842 of the Income and Corporation Taxes Act of 1988 or stating the intention to seek approval in a prospectus or other document issued by the board of directors, but either registered outside the United Kingdom or denominated, accounting or quoted in a foreign currency
907 Currency Funds — Currency Funds

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

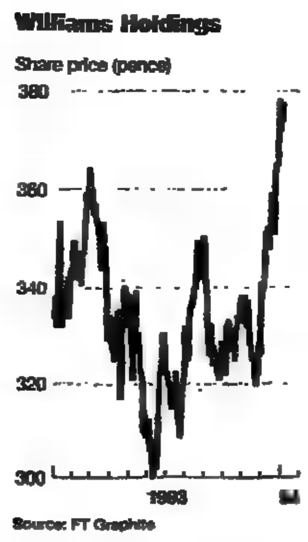
[illegible]

COMPANY NEWS: UK

Williams maps out route for progress

By Peggy Hollinger

Nigel Rudd: scathing about many of those who criticise Williams



Nigel Rudd is not a man to suffer an identity crisis. As chief executive of Williams Holdings, the 1980s-born conglomerate, he is crystal clear about the route his company intends to take in the 1990s in spite of the apparently waning popularity of the sector.

"We are not a conglomerate in the sense that people see a group of sprawling industrial businesses," he says. "We are no more diversified than ICI."

The acquisition announced yesterday of Corbin & Russwin, the US locks business, reinforces Mr Rudd's picture of a company focused on businesses in three areas: building products, security, and fire and safety.

Security, more than any of Williams Holdings' other core divisions, needed a boost to give it critical mass, particularly in the US. Little had been added since the purchase of [illegible] in [illegible].

"Yale [illegible] brand [illegible], but the business [illegible] smaller than [illegible] thinks," Mr Rudd says. Corbin & Russwin will bring the division's sales to more than $300m (£203m) worldwide and almost double the group's presence in the US market.

Mr Rudd says the group will squeeze a significant amount of improvements [illegible] the business through synergies [illegible] distribution [illegible] and product integration. He [illegible] there [illegible] double [illegible] recently-restructured Corbin's underlying [illegible] per [illegible] margins, even without raising prices, in two years.

The City is inclined to agree with Mr Rudd's perception of the deal. "It certainly makes a [illegible] strategic sense," said one conglomerates [illegible]lyst. However, [illegible] purchase is widely [illegible] more than [illegible] reassuring [illegible] in [illegible] right direction.

[illegible] still [illegible] phan[illegible] which must [illegible] laid to [illegible] before the City [illegible] in. The [illegible] oft-quoted [illegible] is [illegible] company's failure [illegible] generate [illegible] [illegible] balance sheet.

The [illegible] announced yesterday will push year-end gearing [illegible] 60 per cent, against expectations [illegible] than 40 per [illegible]. Now, many are expecting that any further [illegible] will have [illegible] through [illegible].

Mr Rudd [illegible] scathing [illegible] many of [illegible] criticise Williams, but [illegible] his strongest [illegible] for [illegible] who condemn [illegible] group's [illegible] long-term leverage. "The [illegible] thing [illegible] is [illegible] debt down. [illegible] want to use it [illegible] are earning," he says.

Mr Rudd quotes [illegible] group's $370m in long term debt – with [illegible] businesses leaving the parent free [illegible] "do what [illegible] like" – [illegible] of Williams's strengths, [illegible] spite of [illegible] higher interest rates. "I would rather pay another 1 per [illegible] interest rates [illegible] horrible banker can come and poke [illegible] in [illegible] eye," [illegible] says.

[illegible] also denies charges of failure to generate cash. "In the last [illegible] four years we have spent a lot of money improving [illegible] business." Mr [illegible] roughly calculates [illegible] Williams has invested [illegible] since [illegible]. "This year, [illegible] next, [illegible] come through [illegible] a big way."

The City [illegible] uncertain, however. Although agreeing [illegible] will certainly improve this year, "it [illegible] enough to [illegible] the bolt [illegible] acquisitions strategy [illegible] is maintained at the same pace [of £100m [illegible] year]," [illegible] one analyst. [illegible] will have [illegible] be further disposals, [illegible] one to [illegible] years [illegible].

The final consensus appears to be [illegible] much [illegible] prove before it [illegible]vinces sceptics of [illegible] ability [illegible] perform in [illegible] post-conglomer[illegible] age.

"[illegible] strategy, [illegible] industry observer, "is probably better [illegible] what has been employed [illegible] the past, [illegible] for that reason they deserve [illegible] at, [illegible] there [illegible] nothing ... that will produce strong outperformance."

Kleinwort Benson to receive £17.6m for bullion business

By Kenneth Gooding

Kleinwort Benson, the merchant banking group, yesterday [illegible] £17.6m cash for Sharps Pixley, the bullion and metals business being bought by Deutsche Bank.

The latest financial information suggests that the value of the net assets being sold is £7.07m.

Kleinwort announced in September that the sale was being negotiated.

Sharps Pixley [illegible] one of the [illegible] London Gold Fixing which meets to fix the gold price twice each working day.

The acquisition gives Deut[illegible] Bank marketmaking [illegible]bility in London, [illegible] previously had only precious metals trading activities, plus [illegible] ring-dealing membership of [illegible] where [illegible] metals prices are established, and membership of the [illegible] York Commodity Exchange.

Woodcote acquisition

[illegible] Industries, [illegible] privately-owned [illegible] Midlands [illegible] buying Burton's Scaffolding (International) from [illegible] Delingpole Holdings.

The merger of [illegible] Scaffolding [illegible] will [illegible] biggest [illegible] of [illegible]ing fittings in Europe.

The two [illegible] combined turnover [illegible], down from £12m in [illegible] would [illegible] buying price.

Fenner sells SA offshoot

In line with its policy of disposing of [illegible] activities, Fenner, the industrial products [illegible] has [illegible] Control Specialists, [illegible] Johannesburg-based offshoot, [illegible] LTA [illegible] (£2.1m).

Fenner will retain Control Specialists' [illegible] assets which [illegible] R2.9m. For [illegible] year [illegible] August 31 [illegible] the [illegible], [illegible] manufacturer of control systems under licence [illegible] Controls International, returned pre-tax profits of R3.9m.

COMMODITIES [illegible] AGRICULTURE

Mexican rising lifts silver

[illegible] Kenneth Gooding, Mining Correspondent

Armed conflict in Mexico, [illegible] world's biggest producer [illegible] newly-mined silver, helped precious metals start the new [illegible] with a price [illegible] trad[illegible] said yesterday. Mexico produces about [illegible] [illegible] cent of the world's primary silver.

Price rises, which [illegible] in [illegible] York [illegible] Monday with silver leading [illegible] [illegible], spilled [illegible] [illegible] trading in [illegible] Far [illegible] and London yesterday. The first "fix" on the [illegible] trading day of the new year in London resulted in gold [illegible] to $395 [illegible] troy ounce, its highest level [illegible] five months.

After [illegible] profit-taking, gold [illegible] in London up [illegible] [illegible] [illegible] an [illegible] silver was 12 cents an ounce ahead [illegible] $5.235 and platinum [illegible] the day [illegible] [illegible] an ounce, up [illegible].

Reuter reported from Germany that Commerzbank [illegible] suggested gold's price, [illegible] by [illegible] factors, would [illegible] [illegible] this year, but would [illegible] between $360 and $380. Any higher price would spark bullion [illegible] However, DG Bank predicted short-term rises up [illegible] [illegible] which could bring in more buyers [illegible] [illegible] gold up to [illegible].

FT broadens gold mine index

The Financial Times [illegible] replacing the gold [illegible] index, which is based on the performance of [illegible] African companies only, with [illegible] enlarged to include gold producers from other parts of the world.

Regional indices covering three geographic [illegible] will be published at the same time.

The accompanying chart [illegible] the new [illegible] [illegible] [illegible] their high leverage [illegible] the price [illegible] [illegible] precious metal. It [illegible] highlights differences in [illegible] performances of [illegible] regional indices. The 1993 year-end gold price of [illegible] a troy ounce (up by 17 [illegible] [illegible] compared with [illegible] December [illegible] [illegible] into a jump [illegible] [illegible] than 100 per cent for the new gold mines index [illegible] the [illegible] 12 months.

[illegible] mining companies [illegible] included in [illegible] [illegible] if they:

- [illegible] sustainable, attributable gold production [illegible] at [illegible] 300,000 [illegible] [illegible];
- Draw [illegible] [illegible] [illegible] [illegible] cent [illegible] [illegible] from mined gold sales;
- [illegible] [illegible] [illegible] 10 [illegible] cent [illegible] their [illegible] capital [illegible] [illegible] [illegible] investing public.

These conditions mean [illegible] *there will be no set number of* [illegible] [illegible] [illegible] eligibility of each company will [illegible] reviewed four [illegible] a year.

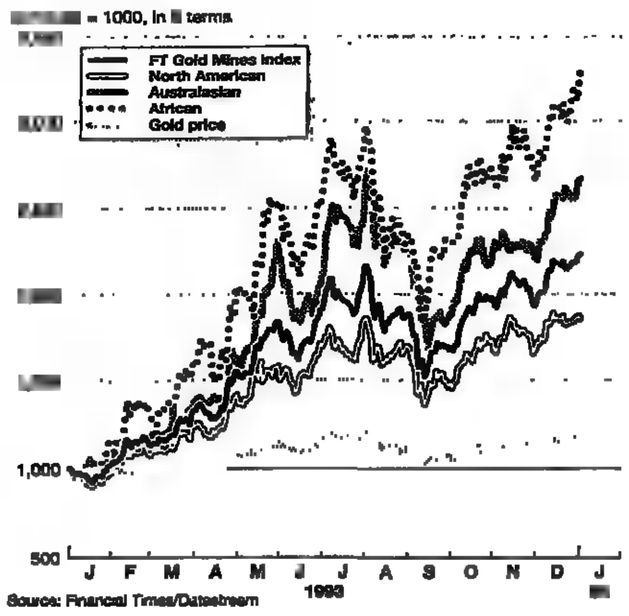
The present [illegible] [illegible] account for [illegible] 53 per cent of western world output, [illegible] about [illegible] [illegible] [illegible] [illegible] represented by Dominion Mining; [illegible] [illegible] [illegible] Kalgoorlie; Highlands Gold; Homestake Gold Australia; Newcrest; Placer Pacific; Plutonic Resources [illegible] [illegible] Gold. Canadian constituents include American Barrick Resources; Cambior; Echo Bay Mines; Hemlo [illegible] Mines; Lac Minerals; Pegasus Gold; Placer [illegible] [illegible] TVX [illegible].

From [illegible] Africa [illegible] [illegible] Beatrix; Buffelsfontein; Driefontein; Elandsrand; Freegold; Harmony; Hartebeestfontein; Kinross; Kloof; Randfontein; Southvaal; Vaal Reefs; [illegible] Areas; [illegible] Deep Levels; [illegible] Winkelhaak. [illegible] [illegible] [illegible] the [illegible] index include Battle [illegible] Gold; Homestake Mining; and Newmont Gold.

The index reflects [illegible] [illegible] sum of [illegible] market capitalisations of the component companies, denominated in [illegible] [illegible] and [illegible] [illegible] 1,000 [illegible] December 31, 1992, when [illegible] gold price was [illegible] an [illegible]. On December [illegible] *last year* [illegible] *gold price was* [illegible] and [illegible] index was 2,232.1. It [illegible] [illegible] [illegible] [illegible] [illegible] December 1991, so [illegible] two-year history [illegible] available. Calculations follow [illegible] close of business on [illegible] [illegible] York and Toronto [illegible] exchanges.

[illegible] [illegible] values will be published weekly until [illegible] end [illegible] this month [illegible] [illegible] the FT will publish daily figures, including yield, highs/lows and, [illegible] Mondays only, [illegible] capitalisations.

FT Gold Mines



Source: Financial Times/Datastream

Gatt deal adds twist to beef hormone plot

Health-based barriers to trade must in future be justified by scientific evidence

FARMER'S VIEWPOINT

By David Richardson

In some farming circles, last month's General Agreement on Tariffs [illegible] Trade settlement has been presented [illegible] the [illegible] [illegible] all the world's food problems. Like ministers of fundamentalist religions, [illegible] regarded the prospect of accord between [illegible] nations as a shining star [illegible] all [illegible] follow. Only reject the [illegible] of subsidies and throw [illegible] protectionism, they seemed to [illegible] and everything will come right. The purity [illegible] market [illegible] will take [illegible] and all will be [illegible].

Cynic that I am, I have [illegible] held that simplistic view. For while I accept [illegible] a [illegible] [illegible] [illegible] [illegible] and that [illegible] [illegible] of industry – perhaps even farming industry – will benefit, [illegible] will [illegible] irreparable damage as [illegible] price stability disappears and [illegible] replaced by market volatility.

That situation [illegible] [illegible] [illegible] exacerbated by the [illegible] that Gatt-member governments have not [illegible] [illegible] deregulate completely but will still keep their fingers in the regulatory *pie* – [illegible] [illegible] a [illegible] [illegible] level – [illegible] after the six-year [illegible] period starting in [illegible].

The other main reason I [illegible] sceptical that [illegible] Gatt [illegible] will bring peace and light to all [illegible] [illegible] [illegible] disputes between nations are not confined [illegible] production subsidies and export refunds. They are [illegible] concerned with [illegible] that are [illegible] more difficult to resolve. [illegible] it comes [illegible] food, this [illegible] such things as [illegible] perceived safety of goods to be traded between [illegible] country and another.

Moreover, in the [illegible] that the [illegible] agreement [illegible] signed in Europe, I [illegible] visiting farms in [illegible] [illegible] [illegible] immediately came [illegible] an example of [illegible] may [illegible] to [illegible] an insoluble problem.

I was on a specialist beef-finishing farm in Colorado. In common with many [illegible] operators [illegible] [illegible] US, [illegible] [illegible] [illegible] in calves and [illegible] them in open, uncovered yards until they [illegible] ready for slaughter. In order to achieve maximum growth [illegible] [illegible] [illegible] highest possible proportion [illegible] [illegible] [illegible] in the [illegible] [illegible] he, [illegible] most American [illegible] farmers, routinely [illegible] [illegible] with synthetic growth hormones.

These [illegible] in the form of slow-release pellets, which are inserted beneath the skin of the animal's ear. The [illegible] for this unusual application [illegible] is that [illegible] have no meat value [illegible] are discarded, thereby eliminating the risk that [illegible] hormone [illegible] absorbed into the rest of the body of the animal could be [illegible] by [illegible] in [illegible] form. The [illegible] I [illegible] [illegible] month claimed that he rigorously observed [illegible] safety regulations and never dosed [illegible] [illegible] [illegible] with more than [illegible] pellets in their lifetime. In California a [illegible] months previously, however, I had [illegible] told on [illegible] [illegible] lot that in order [illegible] produce "best meat quality" [illegible] animals had up [illegible] four hormone pellets during their finishing period.

A [illegible] [illegible] [illegible], [illegible] [illegible] [illegible] [illegible] in [illegible] use [illegible] [illegible] European Union, although normal practice was [illegible] inject [illegible] pellet [illegible] animal in [illegible] lifetime, [illegible] only [illegible] *occasional* [illegible] *contemplating* using two. Then, however, [illegible] [illegible] [illegible] such products [illegible] banned amid [illegible] by [illegible] groups that they [illegible] a [illegible] hazard. [illegible] change symptoms, particularly in Italy, [illegible] [illegible] [illegible] have [illegible] caused by [illegible] improper [illegible] [illegible] [illegible] and [illegible] European [illegible] Commission decided to forbid their [illegible] [illegible].

The commission took the action without considering evidence from its own scientific committee and there were [illegible] gestions at the time that the ban might have had more [illegible] [illegible] with the growing beef mountain in [illegible] European Community, as it was then called, than with the [illegible] dangers [illegible] using growth-promoting hormones.

Nevertheless, [illegible] products remain illegal throughout the EU – [illegible] incidentally, [illegible] bovine somatotropin (BST), [illegible] similar product which [illegible] milk yields in dairy cows, the EU ban on which has just been extended for [illegible] further year.

In the US, the use of BST on dairy [illegible] [illegible] just [illegible] authorised [illegible] it [illegible] [illegible] be [illegible] much a part [illegible] American [illegible] production systems [illegible] beef hormones.

Now, [illegible] Gatt agreement contains [illegible] section [illegible] [illegible] limit the extent [illegible] which human, animal or plant health [illegible] [illegible] [illegible] [illegible] as barriers [illegible] trade. Any [illegible] [illegible] [illegible] *invoked* [illegible] [illegible] future comply with [illegible] principles [illegible] be [illegible] [illegible] recognised international standards.

[illegible] [illegible] farmers [illegible] no time at all to conclude that this would enable them to export beef [illegible] Europe. There was, they claimed, no [illegible] evidence to justify a ban on the use of hormones, otherwise why [illegible] the [illegible] allow it, and the EU ban had only been imposed [illegible] stop them exporting [illegible] [illegible] Atlantic. I did not visit any US dairy farmers on [illegible] trip but presumably they will have come to similar conclusions about milk and milk products produced with the help [illegible] the BST.

A committee on sanitary and phytosanitary measures will [illegible] established under the new World Trade Organisation (the successor to Gatt) to adjudicate disputes [illegible] member countries. [illegible] the attitudes and ambitions of Colorado beef farmers [illegible] any [illegible], that committee will have its work [illegible] out.

Here are just [illegible] few of the questions it will [illegible] to answer. Is [illegible] [illegible] is [illegible] [illegible] scientific evidence [illegible] [illegible] growth hormones? If [illegible] is, should US farmers be banned from using them? If there is not, should EU farmers [illegible] be allowed to use them? And whichever [illegible] they decide, [illegible] do they persuade at [illegible] one significant group of [illegible]sumers, in the US or the EU, [illegible] previous information [illegible] [illegible] [illegible] of [illegible] [illegible] [illegible]rate?

[illegible] would, I think, be naive to [illegible] [illegible] the [illegible] [illegible]ment brings [illegible] [illegible] disputes to [illegible] end.

Russia faces $1.5bn US grain credits bill in 1994

By Laurie Morse

[illegible] [illegible] keep [illegible] [illegible] [illegible] [illegible] payments falling due [illegible] year against US-backed grain [illegible] [illegible] remain eligible [illegible] receive new [illegible] farm credits, [illegible] [illegible] [illegible] official [illegible] yesterday.

The payments, against $1.5bn [illegible] [illegible] private [illegible] but guaranteed by the [illegible] Department [illegible] Agriculture's Commodity Credit Corporation, start falling [illegible] [illegible] [illegible] and [illegible] through the year.

Mr Chris Goldthwait, the USDA's general sales manager, [illegible] yesterday [illegible] [illegible] long [illegible] Russia remained [illegible] on [illegible] *existing* [illegible] *repayments* [illegible] [illegible] technically eligible [illegible] receive [illegible] credits. However, [illegible] [illegible] have appeared [illegible] [illegible] cautious about increasing their [illegible] for food purchases. "The Russians have not requested [illegible] [illegible] [illegible]antees," [illegible] Goldthwait [illegible]. "In recent discussions, they [illegible] indicated [illegible] they would rather make [illegible] purchases with cash."

[illegible] spent much of 1993 [illegible] default [illegible] its US grain loans [illegible] became [illegible] [illegible] [illegible] end of the year through a series [illegible] payments arranged as part [illegible] [illegible] Paris [illegible] rescheduling [illegible] [illegible] country's [illegible] foreign debt. A final $147.4m payment was [illegible] [illegible] the USDA [illegible] week. [illegible] total [illegible] [illegible] the USDA, including the $1.5bn [illegible] in 1994, is about $3.5bn.

[illegible] traders hopes [illegible] President Clinton will [illegible] [illegible] combination [illegible] [illegible] credits and aid [illegible] he [illegible] President Boris Yeltsin later [illegible] month [illegible] waning.

- Wheat futures for [illegible] delivery [illegible] [illegible] Chicago [illegible] [illegible] [illegible] jumped [illegible] than [illegible] [illegible] [illegible] [illegible] [illegible] yesterday on [illegible] that China, long absent from [illegible] US market, had bid for 1.1m [illegible] of [illegible] [illegible] red winter wheat under the Export Enhancement Programme. The [illegible] would [illegible] delivered [illegible] China during January and February.

Traders [illegible] [illegible] China's bid – $88.50 [illegible] tonne – would require a subsidy of as much [illegible] $60 [illegible] tonne [illegible] current prices. The results of [illegible] USDA tender are expected today.

Fresh record for Chicago exchange

Contracts traded on [illegible] Chicago [illegible] Exchange in December totalled [illegible] [illegible] 11,351,773 lots, the exchange said, reports Reuter from Chicago. That was up 13.3 per cent from December 1992.

[illegible] for [illegible] [illegible] a [illegible] [illegible] [illegible] lots up [illegible] [illegible] cent from [illegible].

- The [illegible] York Mercantile Exchange, helped by [illegible] new overnight trading system.Access, hit an annual [illegible] [illegible] in 1993 for 13th [illegible] in the past 14 years.

COMMODITIES [illegible]

BASE METALS

LONDON METAL EXCHANGE

[illegible]

■ ALUMINIUM, 99.7 PURITY ($ per tonne)

	Cash	3 mths
Close	1116-17	[illegible]
Previous	[illegible]	[illegible]
High/low	1110	[illegible]
AM Official	1110-11	1128-29
Kerb close		1132.5-33
Open int.	[illegible]	
Total daily turnover	[illegible]	

■ ALUMINIUM ALLOY ($ per tonne)

Close	965-70	991-95
Previous	961-2	985-90
High/low		992
AM [illegible]	965-66	990-95
Kerb close		991-95
Open int.	2,595	
Total daily turnover	840	

■ LEAD ($ per tonne)

Close	468.5-9.5	482-83
Previous	473-4	486-7
High/low		487/475
AM [illegible]	467-68	481.5-82
Kerb [illegible]		476-77
Open int.	32,597	
Total daily turnover	6,097	

■ NICKEL ($ per tonne)

Close	[illegible]	[illegible]
Previous	5290-5	5350-1
High/low	5195	5300/5240
AM [illegible]	5190-95	5250-52
Kerb close		5250-55
Open int.	49,363	
Total daily turnover	14,667	

■ TIN ($ per tonne)

Close	4803-8	4855-60
Previous	4745-55	4795-800
High/low		[illegible]
AM Official	4783-88	4835-40
Kerb close		4800-10
Open int.	16,074	
Total daily turnover	3,228	

■ ZINC, special high grade ($ per tonne)

Close	996-97	1015-6
Previous	1001-1.5	1019-19.5
High/low	[illegible]	[illegible]
[illegible]	992.5-93	1012-12.5
[illegible]		1012-13
Open int.	101,068	
Total daily [illegible]	[illegible]	

■ COPPER, grade [illegible] ($ per tonne)

Close	1732-33	[illegible]
Previous	1767-7.5	[illegible]
High/low	1719.5	1768/1726
AM [illegible]	[illegible]	1740-40.5
[illegible]		1753-54
Open int.	225,224	
Total daily turnover	126,739	

■ LME AM Official £/$ rate: 1.4825

LME Closing £/$ rate 1.4827

Spot 1.4840 3 [illegible] 6 mths 1.4729 9 [illegible]

■ HIGH GRADE COPPER (COMEX)

	[illegible]	Day's change	High	low	Open int	[illegible]
Jan	[illegible]	-0.30	79.60	[illegible]	1,527	322
[illegible]	79.70	-0.30	79.70	79.00	1,214	64
[illegible]	79.85	-0.40	[illegible]	78.75	42,994	7,239
Apr	80.05	-0.40	[illegible]	79.30	721	[illegible]
May	[illegible]	-0.35	[illegible]	[illegible]	7,974	[illegible]
Jun	[illegible]	[illegible]	79.90	79.90	825	3
Total					[illegible]	8,702

PRECIOUS METALS

■ [illegible] BULLION MARKET

[illegible] N M Rothschild)

Gold (Troy oz.)	$ price	[illegible] equiv.
Close	394.00-394.50	
Opening	393.35-393.75	
Morning fix	395.00	266.658
Afternoon [illegible]	394.10	265.664
Day's High	395.40-395.80	
Day's Low	393.40-393.80	
Previous close	390.50-391.00	

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	2.65	6 months	2.84
2 months	2.81	12 months	2.88
3 months	2.82		

Silver Fix	p/troy oz.	US cts equiv.
Spot	356.25	527.65
3 months	360.55	531.50
6 months	364.85	535.90
1 year	372.79	545.30

Gold Coins	$ price	£ equiv.
Krugerrand	396-399	267-270
Maple Leaf	404.75-407.30	
[illegible] Sovereign	92-95	62-65

Precious Metals continued

■ GOLD COMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	low	Open int	Vol.
Feb	[illegible]	+0.4	[illegible]	[illegible]	98,968	29,642
Mar	[illegible]	+0.4	[illegible]	396.3	9	15
[illegible]	397.1	[illegible]	[illegible]	395.5	[illegible]	3,209
[illegible]	399.0	[illegible]	401.0	396.5	22,830	731
[illegible]	401.0	+0.4	[illegible]	[illegible]	5,985	[illegible]
Oct	403.1	+0.4	-	-	[illegible]	215
Total					[illegible]	[illegible]

■ PLATINUM NYMEX (50 Troy oz.; $/troy oz.)

Jan	[illegible]	+2.4	398.0	397.0	1,134	[illegible]
[illegible]	402.2	+2.2	[illegible]	[illegible]	17,909	2,951
Jul	[illegible]	[illegible]	[illegible]	[illegible]	2,312	351
[illegible]	404.8	+2.2	-	-	224	3
Jan	[illegible]	+2.2	-	-	125	9
Total					21,704	[illegible]

■ PALLADIUM NYMEX (100 Troy oz.; $/troy oz.)

Mar	127.80	[illegible]	[illegible]	[illegible]	3,988	188
[illegible]	[illegible]	[illegible]	127.50	[illegible]	724	[illegible]
[illegible]	[illegible]	+2.55	-	-	83	-
Dec	128.95	+2.55	-	-	60	2
Total					[illegible]	[illegible]

■ SILVER COMEX (100 Troy oz.; $/troy oz.)

Jan	520.0	-2.0	-	-	11	7
Feb	521.8	-2.0	-	-	1	[illegible]
[illegible]	[illegible]	[illegible]	528.0	521.0	[illegible]	[illegible]
May	[illegible]	-2.0	533.0	[illegible]	[illegible]	862
Jul	[illegible]	-2.0	536.0	527.5	[illegible]	196
[illegible]	533.2	[illegible]	[illegible]	532.0	[illegible]	281
Total					[illegible]	22,803

ENERGY

■ CRUDE [illegible] [illegible] (42,000 US galls. [illegible])

	[illegible] price	[illegible]	High	[illegible]	Open [illegible]	Vol
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	96,676	37,383
Mar	14.81	-0.08	[illegible]	[illegible]	66,021	[illegible]
Apr	15.11	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	-0.05	[illegible]	15.27	27,042	3,558
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Jul	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2,479
Total					[illegible]	78,476

■ CRUDE OIL IPE ($/barrel)

	Latest [illegible]	Day's [illegible]	High	Low	Open int	Vol
Feb	[illegible]	[illegible]	[illegible]	[illegible]	83,297	[illegible]
Mar	13.73	[illegible]	13.76	13.61	[illegible]	[illegible]
Apr	[illegible]	[illegible]	[illegible]	[illegible]	10,837	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	141
Jun	[illegible]	[illegible]	14.41	[illegible]	[illegible]	169
Jul	[illegible]	+25	[illegible]	[illegible]	[illegible]	1
Total					[illegible]	[illegible]

■ HEATING OIL NYMEX (42,000 US galls; c/US galls.)

	Latest price	Day's change	[illegible]	[illegible]	Open int	Vol
Feb	[illegible]	+4	[illegible]	44.90	2,258	125
[illegible]	45.20	-	[illegible]	44.90	55,238	15,822
Apr	[illegible]	-	45.00	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	-	[illegible]	[illegible]	20,680	2,104
Jun	44.80	+6	[illegible]	[illegible]	26,394	1,858
Jul	[illegible]	+16	[illegible]	45.20	16,575	1,862
Total					181,174	[illegible]

■ GAS OIL IPE [illegible]

	[illegible] price	Day's change	High	[illegible]	Open [illegible]	Vol
[illegible]	[illegible]	[illegible]	143.25	[illegible]	[illegible]	9,471
Feb	[illegible]	[illegible]	[illegible]	141.75	[illegible]	5,874
Mar	143.25	+300	[illegible]	141.75	[illegible]	[illegible]
Apr	142.75	[illegible]	[illegible]	141.75	10,329	568
May	143.75	[illegible]	[illegible]	142.50	6,638	[illegible]
Jun	144.50	[illegible]	144.50	143.75	11,465	421
Total					107,911	19,336

■ NATURAL GAS NYMEX (10,000 mmBtu; $/mmBtu.)

	Latest [illegible]	Day's [illegible]	[illegible]	Low	Open int	[illegible]
Feb	[illegible]	+.011	[illegible]	1.920	[illegible]	8,550
Mar	[illegible]	+.011	1.910	1.880	17,900	3,208
Apr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1,120
May	[illegible]	+.007	[illegible]	[illegible]	[illegible]	626
Jun	1.900	[illegible]	[illegible]	1.890	[illegible]	[illegible]
[illegible]	[illegible]	+.007	1.910	[illegible]	[illegible]	[illegible]
[illegible]					126,713	13,434

■ UNLEADED GASOLINE NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Open int	Vol
Feb	41.10	-6	[illegible]	40.50	[illegible]	345
[illegible]	42.50	-5	42.55	41.95	41,632	10,711
Apr	45.32	[illegible]	45.82	45.40	31,673	2,602
[illegible]	46.50	-13	46.50	45.90	21,834	911
[illegible]	46.90	[illegible]	47.20	46.50	26,840	893
Jul	47.40	-33	47.50	47.40	[illegible]	[illegible]
Total					[illegible]	[illegible]

GRAINS AND OIL [illegible]

■ WHEAT LCE (£ per tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Jan	98.40	[illegible]	[illegible]	[illegible]	417	23
Mar	100.15	-0.50	[illegible]	[illegible]	[illegible]	74
May	101.40	-0.45	101.50	[illegible]	[illegible]	103
Jun	[illegible]	[illegible]	-	-	[illegible]	-
[illegible]	89.75	-	-	-	85	-
Nov	90.85	[illegible]	-	-	[illegible]	-
Total					[illegible]	200

■ WHEAT CBT (5,000bu min; cents/60lb bushel)

Mar	380/6	+8/0	383/0	370/0	143,460	46,745
[illegible]	360/6	+3/4	366/0	356/0	36,516	[illegible]
Jul	342/4	-2/4	349/0	342/0	56,570	10,860
Sep	345/2	-1/2	350/4	344/6	6,496	850
[illegible]	353/4	-1/0	357/4	352/4	7,660	875
Jul	325/0	-1/0	-	-	20	-
Total					250,[illegible]	67,195

■ MAIZE CBT (5,000 bu min; cents/56lb bushel)

Mar	306/2	-0/4	308/4	305/6	755,230	164,515
[illegible]	309/6	-0/2	[illegible]	[illegible]	[illegible]	[illegible]
Jul	309/4	+0/2	[illegible]	[illegible]	[illegible]	38,490
[illegible]	[illegible]	-0/2	291/4	289/0	53,210	[illegible]
Dec	289/4	-0/6	272/0	269/0	174,565	22,020
Mar	275/4	-0/4	277/4	275/2	9,505	535
Total					1,[illegible]m	270,905

■ BARLEY LCE (£ per tonne)

Jan	103.25	-	[illegible]	103.25	186	15
[illegible]	[illegible]	-	-	-	[illegible]	-
May	[illegible]	-	-	-	[illegible]	-
Sep	92.85	-	-	-	[illegible]	-
Nov	94.75	-	-	-	[illegible]	-
[illegible]	97.00	-	-	-	[illegible]	-
Total					[illegible]	15

■ SOYABEANS CBT (5,000bu min; cents/60lb bushel)

[illegible]	[illegible]	-6/2	703/2	692/0	40,675	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	701/0	413,280	204,095
[illegible]	706/0	-7/2	717/0	[illegible]	[illegible]	[illegible]
Jul	707/4	-6/2	717/4	707/0	151,190	27,410
[illegible]	702/6	-5/0	713/0	[illegible]	24,450	[illegible]
Sep	677/0	[illegible]	681/4	676/0	[illegible]	600
[illegible]						

■ SOYABEAN OIL CBT (60,000lbs; cents/lb)

Jan	[illegible]	[illegible]	29.73	29.20	7,826	3,495
[illegible]	29.18	-0.46	29.74	29.13	[illegible]	11,238
May	28.83	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Jul	28.40	[illegible]	[illegible]	28.30	12,388	2,096
[illegible]	27.78	[illegible]	[illegible]	27.70	4,741	340
Sep	[illegible]	-0.20	27.40	26.95	3,751	[illegible]
Total					100,160	19,087

■ [illegible] MEAL CBT (100 tons; $/ton)

[illegible]	201.2	-1.2	203.5	200.9	[illegible]	3,615
[illegible]	[illegible]	-1.0	203.5	200.8	[illegible]	6,270
May	201.6	-0.7	203.7	201.5	[illegible]	1,545
Jul	202.6	-0.8	204.5	202.5	12,657	[illegible]
[illegible]	201.8	-0.7	203.1	201.7	[illegible]	153
[illegible]	200.2	0	[illegible]	[illegible]	2,547	55
Total					[illegible]	15,487

■ POTATOES LCE (£/tonne)

Mar	135.0	-5	-	-	31	-
[illegible]	[illegible]	[illegible]	109.0	[illegible]	1739	61
May	126.8	+3.9	126.5	[illegible]	[illegible]	63
Jun	[illegible]	-	-	-	2	-
[illegible]	85.0	-	-	-	-	-
Mar	[illegible]	-	-	-	-	-
[illegible]					2,358	124

■ FREIGHT (BIFFEX) LCE ($10/index point)

Jan	1225	+2	1220	1220	925	10
Feb	[illegible]	+7	1250	1245	135	7
Mar	1275	-7	-	-	10	-
Apr	1285	-3	1285	1281	779	73
Jul	1163	-3	1155	[illegible]	[illegible]	4
Oct	1305	-7	[illegible]	1291	181	40
Total					[illegible]	[illegible]

	Close	Prev
BFI	1215	1215

SOFTS

■ COCOA LCE (£/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	923	+13	925	[illegible]	38,809	1,882
May	[illegible]	+12	946	932	14,585	[illegible]
Jul	952	[illegible]	[illegible]	945	[illegible]	[illegible]
Sep	[illegible]	+11	969	960	10,147	[illegible]
Dec	980	[illegible]	983	970	[illegible]	126
Mar	[illegible]	[illegible]	987	982	24,936	229
Total					127,806	[illegible]

■ COCOA CSCE (10 tonnes; $/tonnes)

Mar	1182	-3	1177	1160	[illegible]	[illegible]
May	1195	-1	1209	1193	[illegible]	[illegible]
Jul	[illegible]	-5	1238	1222	9,576	[illegible]
[illegible]	1253	+2	1262	[illegible]	8,262	77
Dec	1260	+2	1280	1260	8,406	[illegible]
[illegible]	[illegible]	+2	1300	1300	8,111	1
[illegible]					[illegible]	[illegible]

■ COCOA (ICCO) (SDR's/tonne)

	Price	Prev. day
Jan [illegible]		
Daily	[illegible]	923.92
Jan 4		
10 day average	N/A	930.77

■ COFFEE LC[illegible]

Jan	1179	+1	[illegible]	1164	2,226	6135
Mar	1200	+2	1200	1183	[illegible]	[illegible]
May	1205	+5	1208	1192	7,567	1,009
Jul	1200	+5	1205	1176	1,244	212
Sep	[illegible]	+3	1203	1196	[illegible]	[illegible]
Nov	[illegible]	[illegible]	1203	1195	183	47
Total					[illegible]	4,029

■ COFFEE [illegible] CSCE (37,[illegible]; cents/lbs)

Mar	71.85	-0.65	[illegible]	[illegible]	[illegible]	[illegible]
May	73.60	-0.45	74.30	[illegible]	[illegible]	1,219
Jul	75.10	-0.50	75.60	[illegible]	[illegible]	174
[illegible]	[illegible]	-0.60	[illegible]	76.00	2,132	60
[illegible]	77.75	-0.70	-	-	1,289	12
Mar	79.50	[illegible]	-	-	747	11
Total					[illegible]	[illegible]

■ COFFEE (ICO) (US cents/pound)

	Price	Prev. day
Jan [illegible]		
Comp. daily	68.68	Unq.
15 day average	71.60	Unq.

■ No7 PREMIUM RAW [illegible] LCE [illegible]

[illegible]	[illegible]	-0.11	11.00	[illegible]	1,113	[illegible]
[illegible]	11.16	[illegible]	11.15	11.15	[illegible]	5
Jul	11.34	-0.12	11.28	11.28	2,914	6
Oct	11.14	-0.12	-	-	45	-
Total					[illegible]	26

■ WHITE SUGAR LCE ($/tonne)

Mar	285.10	-0.1	[illegible]	284.00	7,350	[illegible]
[illegible]	287.30	-	288.20	287.00	1,757	24
[illegible]	291.40	-0.4	[illegible]	290.20	1,466	5
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1,716	[illegible]
[illegible]	280.10	-1.4	-	-	[illegible]	-
Mar	281.10	-2.4	-	-	[illegible]	-
Total					[illegible]	[illegible]

■ SUGAR '11' CSCE (112,000lbs; cents/lbs)

[illegible]	10.70	-0.12	[illegible]	[illegible]	[illegible]	6,647
[illegible]	10.89	-0.12	10.97	[illegible]	[illegible]	[illegible]
Jul	10.90	-0.11	[illegible]	10.73	[illegible]	379
Oct	10.76	-0.13	[illegible]	[illegible]	[illegible]	579
[illegible]	[illegible]	-0.11	10.84	10.84	2,062	-
May	[illegible]	-0.11	10.84	10.84	11	-
Total					103,185	[illegible]

■ COTTON NYCE (50,000lbs; cents/lbs)

Mar	66.88	-0.88	67.60	[illegible]	[illegible]	3,660
May	[illegible]	-0.79	[illegible]	67.17	10,353	[illegible]
Jul	[illegible]	-0.45	[illegible]	67.50	6,529	[illegible]
[illegible]	66.63	[illegible]	67.30	66.38	[illegible]	46
Dec	[illegible]	[illegible]	66.25	65.40	5,981	[illegible]
Mar	[illegible]	[illegible]	-	-	50	-
Total					[illegible]	5,384

■ ORANGE JUICE NYCE (15,000lbs; cents/lbs)

Jan	108.95	-3.70	112.65	108.25	1,206	771
Mar	112.10	-3.65	[illegible]	110.90	[illegible]	[illegible]
May	[illegible]	[illegible]	118.75	[illegible]	[illegible]	319
Jul	[illegible]	-0.45	121.30	117.00	[illegible]	[illegible]
Sep	[illegible]	[illegible]	-	-	852	-
Nov	121.45	-0.45	[illegible]	123.00	160	-
Total					[illegible]	4,974

VOLUME DATA

Open interest and Volume data shown for [illegible] [illegible] on COMEX, NYMEX, CBT, NYCE, CME and CSCE are one day in arrears.

Minor Metals

European free market, from Metal Bulletin, $ per lb in warehouse, unless otherwise stated (last week's in brackets, where changed). Antimony: 99.6%, $ per tonne, 1,605-1,655 (same). Bismuth: min. 99.99%, tonne lots 2.30-2.50. Cadmium: min. 99.5%, 0.35-0.40. Cobalt: MB free [illegible] [illegible] [illegible] (12.80-14.50); [illegible] [illegible] (11.80-13.50). Mercury: min. 99.99%, $ per 76 lb flask, 95-105. Molybdenum drummed [illegible] [illegible] 2.70-2.75. Selenium: min [illegible] [illegible]. Tungsten ore: standard min. 65%, [illegible] per tonne unit [illegible] WO_3, cif, 27-39. Vanadium: min. 98%, cif, 1.35-1.45. Uranium: [illegible] exchange value, 8.90.

INDICES

■ REUTERS (Base: 18/9/31=100)

Jan [illegible]	Dec 31	month ago	year ago
1679.1	[illegible]	[illegible]	1710.0

■ CRB (Base: 4/9/56=100)

[illegible] [illegible]	Dec [illegible]	[illegible] ago	[illegible] ago
227.38	226.31	-	201.26

MEAT AND LIVESTOCK

■ LIVE CATTLE CME (40,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Feb	72.575	-	72.875	[illegible]	32,912	7,394
[illegible]	75.225	-	[illegible]	74.925	18,367	1,626
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total					[illegible]	[illegible]

■ LIVE HOGS CME (40,000lbs; cents/lbs)

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Jul	53.000	+.450	[illegible]	52.500	2,285	[illegible]
Aug	51.400	[illegible]	51.400	50.950	1,555	221
Oct	48.300	[illegible]	[illegible]	48.000	745	74
[illegible]					[illegible]	5,280

■ PORK BELLIES CME (40,000lbs; cents/lbs)

Feb	56.050	0.725	56.950	[illegible]	[illegible]	1,486
Mar	56.600	0.825	57.600	56.200	[illegible]	[illegible]
May	57.925	0.775	58.650	57.500	1,631	[illegible]
Jul	[illegible]	0.800	58.250	57.900	[illegible]	76
[illegible]	56.050	[illegible]	57.000	[illegible]	230	[illegible]
Total					[illegible]	2,156

LONDON TRADED [illegible]PTIONS

[illegible] price $ [illegible] ---- Calls ---- ---- Puts ----

■ ALUMINIUM (99.7%) LME	Mar	Jun	Mar	Jun
1125	33	58	26	36
1150	22	45	42	48
1175	14	35	59	62
■ COPPER (Grade A) LME	Mar	Jun	[illegible]	Jun
1750	47	79	47	58
1800	26	56	[illegible]	[illegible]
1850	14	38	113	116
■ COFFEE LCE	Mar	May	[illegible]	[illegible]
1150	75	106	25	51
1200	47	80	[illegible]	75
1250	28	59	[illegible]	104
■ COCOA LCE	Mar	May	Mar	[illegible]
900	49	79	26	[illegible]
925	36	65	38	[illegible]
950	26	53	53	[illegible]
■ BRENT CRUDE IPE	Jan	Feb	Jan	[illegible]
1400	2	8	20	54
1450	3	2	-	-
1500		1	-	-

LONDON SPOT MARKETS

■ CRUDE OIL FOB (per barrel/Feb) [illegible]

Dubai	12.42-2.47w	[illegible]
Brent Blend (dated)	13.59-3.64	[illegible]
Brent Blend (Feb)	13.56-3.58	+0.25
W.T.I. (1pm est)	14.51-4.54w	+0.30

■ OIL PRODUCTS NWE prompt delivery CIF (tonne)

Premium [illegible]	141-143	+1
Gas Oil	146-148	+1
Heavy Fuel Oil	55-56	
[illegible]	127-130	+1
[illegible] fuel	169-170	[illegible]

Petroleum Argus [illegible]

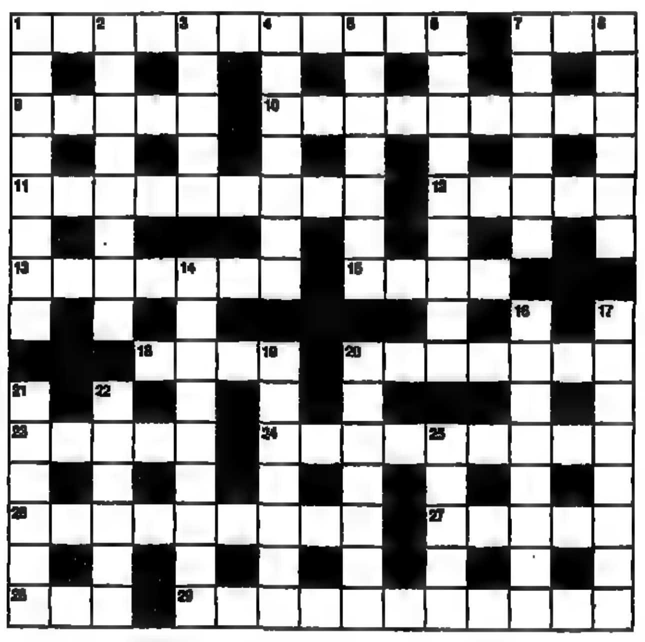
■ OTHER

Gold (per troy oz)♣	$394.25	[illegible]
Silver (per troy oz)♣	523.5c	+12.0
Platinum (per troy oz.)	$398.00	+4.50
Palladium (per troy oz.)	$125.00	+1.75
Copper (US prod.)	85.0c	-1.0
Lead (US prod.)	35.00c	
Tin (Kuala Lumpur)	12.49r	-0.06
Tin (New York)	227.5	
Zinc [illegible] Prime W.)	Unq.	
[illegible] [illegible] [illegible]	119.50p	-1.40*
Sheep (live weight)†♠	93.93p	-2.15
Pigs (live weight)	64.32	-8.99
Lon. day sugar (raw)	$270.1	+0.4
Lon. day sugar (wte)	$287.5	+2.0
Tate & Lyle export	£294.0	
Barley (Eng. feed)	Unq.	
Maize (US No3 Yellow)	£129.0z	
[illegible] (US Dark [illegible]	£175.0	
Rubber (Feb)♥	61.75p	
Rubber (Mar)♥	62.00p	
[illegible] (KL RSS No1 [illegible]	212.0m	+0.5
[illegible]	$657.5x	-2.5
Palm Oil (Malay.)§	$417.5z	-5.0
Copra (Phil)§	$432.5	
Soyabeans (US)	£209.0y	+2.0
[illegible] [illegible] Index	63.45c	+1.00
Wooltops (64s Super)	342p	-

£ per tonne unless otherwise stated. p pence/kg. c cents/lb. r ringgit/kg. m Malaysian cents/kg. y Jan/Apr w Feb. z Jan. v Sep/Oct. t Dec/Jan. x Jan/Feb. ♥ London Physical. § CIF Rotterdam. ♣ Bullion market close. ♠ Sheep (Live weight prices). * Change [illegible] week, provisional prices.

CROSSWORD

No.8,345 Set by DANTE



ACROSS

1 [illegible] in [illegible] with [illegible] (3,3,5)
[illegible] The [illegible] [illegible] [illegible] [illegible] [illegible]
9 Play pluckily [illegible]
10 What a [illegible] [illegible] bulb [illegible] [illegible]
11 Took [illegible] main course [illegible] possibly not [illegible] [illegible] (4,2,3)
12 Open grassland [illegible]
13 [illegible] [illegible] [illegible] less in exchange (7)
15 Pulls [illegible] one [illegible] then [illegible] (4)
[illegible] Forget to [illegible] out [illegible]
20 [illegible] light [illegible] [illegible] [illegible] [illegible] [illegible]
[illegible] Sort of [illegible] Nigel played with [illegible]
24 [illegible] important architectural monument to see? (9)
26 Awfully [illegible] [illegible] [illegible] knave, perhaps (5-4)
27 All the [illegible]mposer required (5)
[illegible] Romanian [illegible] [illegible] [illegible] left around [illegible]
29 Strive to cheat as many as possible [illegible]

DOWN

1 Saw [illegible] [illegible] in [illegible] (8)
2 Irresolution [illegible] [illegible] [illegible] [illegible]
[illegible] Lancelot, [illegible] example, [illegible] his [illegible] in the [illegible] [illegible]
[illegible] Country books at jumble [illegible] [illegible]
5 Up in arms (7)
6 What an executor has? (4-5)
[illegible] Communicate [illegible] speak[illegible] [illegible] [illegible]
[illegible] No more [illegible] – [illegible] [illegible] limit [illegible]
14 [illegible] tin medal ordered to be plated [illegible]
[illegible] Mentally ill – [illegible] [illegible] [illegible] of [illegible] [illegible] cure [illegible] (8)
17 All [illegible] [illegible] as it should [illegible] in the [illegible] (8)
[illegible] Composition [illegible] [illegible] for assurance of touch (7)
20 Dialect around the Kremlin? (7)
21 A leaden writer? (6)
22 Rodent that's a bit of a drag out in S. America (6)
25 Great envy gnawed [illegible] at the heart (5)

[illegible] [illegible] Saturday's prize puzzle on Saturday January 15. Solution [illegible] yesterday's prize puzzle on Monday January 17.

JOTTER PAD

LONDON STOCK EXCHANGE

MARKET REPORT

Late rally reduces losses in nervous session

By Terry Byland, UK Stock Market Editor

The first trading session of 1994 saw a highly volatile performance from UK equities, with an equally erratic trend in stock index futures calling the tune for the stock market. The FT-SE 100 index was down 38 points at the day's low but rallied strongly, reducing its fall by two-thirds before the close. At its final reading of 3,408.5, the index was 9.9 off on the day, having touched extremes of 3,427.9 and 3,380.4 earlier.

Traders agreed that yesterday's session had been difficult to measure since both market indices and volume statistics had been distorted by special factors. Senior executives at many market firms, and institutions, had returned from the Christmas break to face unexpectedly high trading levels in the marketplace. Morning meetings were often extended and there were lengthy telephone conferences [illegible] fund management clients. "A slightly unreal day," [illegible] one leading dealer.

Equities opened higher [illegible] the [illegible] the further strength shown by continental European markets while London [illegible] on Monday. But, after climbing [illegible] in Footsie terms, the market [illegible] hit hard when the March contract on [illegible] Footsie opened sharply down and fell to [illegible] small discount against cash. US selling was blamed for the [illegible] in futures [illegible] in [illegible] gilts and equities.

[illegible] that [illegible] may [illegible] about [illegible] turn higher in the US [illegible] balanced against hopes that the Bundesbank will this week lead rates lower in Europe.

Account Dealing Dates		
*First Dealings: Dec 13	Jan [illegible]	Jan 17
Option [illegible] Dec 30	Jan 13	Jan 27
Last Dealings: Dec 31	Jan [illegible]	Jan 28
Account Day: Jan 10	Jan 24	Feb 7

*New time dealings may take place from two business days earlier.

Pressure on equities was [illegible] by hints [illegible] institution with heavy pension fund [illegible] to put £400m into the [illegible] index-linked tap stocks, and was funding the [illegible] by selling shares.

[illegible] selling of both futures and shares dried up at midsession and a [illegible] rally turned distinctly better [illegible] the [illegible] when London [illegible] taking heed of firmness on Wall [illegible] and in some European markets. The Footsie regained the 3,400 mark [illegible] end of a session which had seen the index move through a [illegible] of nearly [illegible] points.

However, traders [illegible] far from convinced [illegible] rally [illegible] genuine. Seaq [illegible] totalled 1.0664bn shares, [illegible] the higher [illegible] of daily [illegible]. But around [illegible] per cent of this total came from the placing of the rump of a rights issue from Wakebourne, one [illegible] market's "penny stocks".

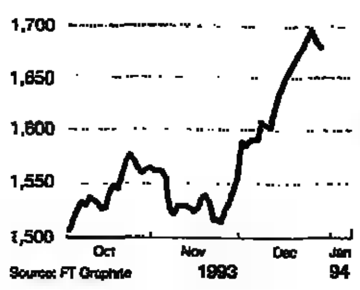
Buttressed by the Wakebourne placing, trading in non-Footsie [illegible] made up [illegible] astonishing [illegible] per [illegible] so [illegible] the day's Seaq total, which was substantially above average. In addition, [illegible] trading from the futures market indicated an [illegible] lower proportion [illegible] investment activity in the blue chip Footsie stocks.

The high level of interest among the second line issues, however, enabled [illegible] FT-SE Mid 250 [illegible] to [illegible] against the trend [illegible] the [illegible] chips, adding 8.1 at 3,799.4.

Against this slightly surrealistic backcloth, [illegible] market made little significant response [illegible] the 1 per cent rise in domestic M0 money supply in December. [illegible] vigour in gold bullion prices was [illegible] in demand for [illegible] shares.

There [illegible] the expected crop of shares moving higher in [illegible] round of broker recommendations for the new year. But across the wider [illegible] forecasts, there was some caution [illegible] the timing for the general advance in equities predicted for 1994.

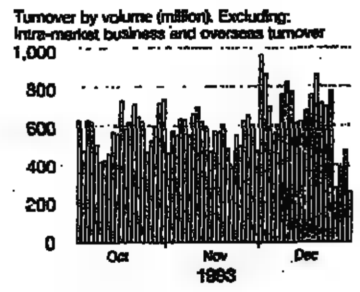
FT-A All-Share index



Source: FT Graphite

Equity Shares Traded

Turnover by volume (million). Excluding: Intra-market business and overseas turnover



Key Indicators

Indices and ratios

FT SE [illegible]	3408.5	[illegible]	FT Ordinary [illegible]	2552.0	-7.5
FT-SE Mid 250	3799.4	+8.1	FT-SE-A Non Fins p/e	[illegible]	[illegible]
FT-SE-A 350	1700.0	-3.0	FT-SE 100 Fut [illegible]	3420.0	[illegible]
FT-SE-A All-Share	[illegible]	-2.46	10 yr [illegible] yield	[illegible]	(6.09)
FT-SE-A [illegible] yield	[illegible]	(3.37)	Long gilt/equity yld ratio:	[illegible]	[illegible]

[illegible] performing sectors

1 [illegible] ... +3.3
2 [illegible] Food ... +1.3
3 Leisure [illegible] ... +1.1
4 [illegible] ... +0.9
5 Media ... +0.8

Worst performing sectors

1 Water ... -1.8
2 Oil, Integrated ... -1.6
3 Household Goods ... -1.2
4 Merchant Banks ... -1.0
5 Elec Equipment ... -1.0

Focus on stores prospects

The first whispers of Christmas high street sales figures seeped into the stock market yesterday, with retailers in general said to have seen some useful increases. In [illegible] of [illegible] slow early December, [illegible] week before Christmas seems [illegible] seen shoppers flocking back. However, the picture is still patchy.

Clothes sales appear to have been strong, as [illegible] jewellery and other giftware. [illegible] computer [illegible] were dull, although small [illegible] appli[illegible] be [illegible] demand. Analysts [illegible] full picture would [illegible] clearer [illegible] 10 [illegible] of the leading [illegible] put [illegible] trading [illegible].

However, [illegible] sales [illegible] stronger, analysts said the key to improved revenues will be [illegible] companies which held margins. Next is one which has been attracting the most bullish comments [illegible] respect, [illegible] adding [illegible] at [illegible] yesterday. Austin Reed gained [illegible] at 195p. [illegible] Signet Group, which will make a sales statement next week, moved up [illegible] to 26¼p. Talk of strong book [illegible] lifted W.H. Smith "A" 7½ to 517½p, [illegible] Pentos firmed [illegible] to 27. Boots, which will [illegible] report by the [illegible] week, slipped 5 [illegible].

Vodafone wanted

Mobile telephone operator [illegible] recorded [illegible] biggest monthly [illegible] in new connections in [illegible] and [illegible] responded in kind, jumping 13 [illegible] 607p.

[illegible] company [illegible] had signed up [illegible] month, taking [illegible] number to above 1m [illegible]. Analysts had been expecting a figure [illegible]. Although much of [illegible] increase was put down to Christmas buying in [illegible] consumer market, there were also indications [illegible] demand [illegible] business [illegible] – which pay higher [illegible] – [illegible] strong.

[illegible] telecoms analyst [illegible] that the December [illegible] tions, which [illegible] up [illegible] cent from November's, [illegible] focus [illegible] market's profit fore[illegible] on [illegible] 1996, with [illegible] to [illegible] pencilling in [illegible] figure [illegible] to [illegible]. The [illegible] recently reported interim profits of £174.5m for the six months [illegible] September [illegible].

[illegible] supporters [illegible] more impressive [illegible] December [illegible] connection figure reported by Cellnet, rival mobile phone operator [illegible] by Securicor [illegible] BT, had [illegible] by [illegible] package. Smith [illegible] Court, reiterating [illegible] strong buy [illegible] Vodafone, [illegible] the [illegible] connection figures showed the mobile telecoms market still had plenty [illegible] growth potential.

Eurotunnel firm

Channel tunnel operator Eurotunnel bucked [illegible] market [illegible] in London, [illegible] ing sharply [illegible] after [illegible] the 23 leading banks of its creditor syndicate had approved [illegible] funding plans. [illegible] watchers said [illegible] agreement clears [illegible] likely rights [illegible] within [illegible] months.

The shares rose 20 to 630p in [illegible] of 2.7m, and [illegible] heavily traded in Paris where the group is also listed.

Sentiment [illegible] further boosted by confirmation [illegible] its tariff [illegible] when [illegible] in May, and analysts suggested [illegible] novelty value was likely [illegible] attract users in spite of the rather expensive [illegible].

Yesterday's announcement followed the recent agreement by the French and British governments to [illegible] Channel [illegible] for an [illegible] 10 years.

Hotel, racing and property group Ladbroke was the best performing [illegible] 100 [illegible] a variety [illegible] pundits [illegible] brokers tipped it as a likely outperformer in 1994. Kleinwort Benson, [illegible] banker, has included it in [illegible] top 10 buys of [illegible] year.

Analyst [illegible] Paul Slattery [illegible] "The on-going managerial changes at [illegible] ing to improved [illegible] and empathy with investor [illegible], while [illegible] trading [illegible] ery will boost earnings performance in [illegible]. [illegible] expect the share price to outperform strongly [illegible] the year progresses."

The shares have underperformed [illegible] by 28 [illegible] cent, 51 [illegible] and 58 per cent over the past 12, 24 and 36 months respectively. Yesterday they jumped 12½ [illegible] 175p, with 11m [illegible] traded.

BT was [illegible] weak feature of a strong telecoms sector [illegible] Govett underlined [illegible] that the [illegible] was looking overbought. Hoare's [illegible] worries [illegible] competition, Oftel-induced price cuts and the threat [illegible] aggressive pricing [illegible] Mercury, hung [illegible] BT. The [illegible] later rallied to close just [illegible] penny [illegible] at 471½p.

[illegible] of a wide-ranging review [illegible] UK cross-media ownership once again [illegible] to renewed bid speculation for several TV stocks. Those [illegible] to [illegible] targets [illegible] Anglia TV, which put on 5 to 433p, and HTV [illegible] 113p. Yorkshire, currently in merger talks with bid target LWT jumped [illegible] to 174p. LWT [illegible] unchanged [illegible] 606p.

Bargain hunters were active in the much-maligned [illegible] manufacturing sector. Many [illegible] benefited [illegible] tipping in the media. Among them Cadbury-Schweppes rose [illegible] 518p, Unigate 3 to [illegible], Tate & Lyle [illegible] and Bensons Crisps 11 [illegible] 67p.

[illegible] that the [illegible] executive [illegible] international conglomerate BTR had sold part of his holding in [illegible] group [illegible] 374p a share brought a retreat [illegible] in [illegible] stock.

The recovery in [illegible] gold price boosted mining group RTZ late in the [illegible]. The shares jumped [illegible] 844p.

Worries that the Channel tunnel will [illegible] strong [illegible] petition for the ferry services left [illegible] 8 [illegible].

Volume in computer maintenance company Wakebourne jumped [illegible] 404m, making it by far [illegible] day's most actively traded stock, after [illegible] placing of [illegible] rump of [illegible] month's rights [illegible] which [illegible] 68 per [illegible] take-up. The shares hardened 1¼ [illegible] 3¼p.

■ The FT-SE [illegible] Indices shown [illegible] are the [illegible] classification [illegible] industry [illegible] explaining [illegible] new system can be found on [illegible] UK Company [illegible] pages.

[illegible] FT's share price listings, [illegible] London [illegible] Service, have also [illegible] adjusted to [illegible] the new classification. A complete alphabetical [illegible] where companies [illegible] in [illegible] new classification was published in yesterday's FT.

MARKET REPORTERS:
[illegible] Price,
[illegible] Kibazo.

■ Other statistics, Page 17

NEW HIGHS AND LOWS FOR 1993/94

NEW HIGHS (295).

GILTS(2) BANKS(4) Allied Irish, Espirito Santo, HSBC, Ottomane Bank, BREWERIES(2) Regent Inns, Wetherspoon (J.D.), BUILDING & CNSTRN (10), BLDG MATLS & MCHTS(5), CRH, Heywood Williams, Latham (J.), Tarmac CHEMICALS(6), BASF, BTP, Headway, Laporte, Manders, Perstorp DISTRIBUTORS(15), DIVERSIFIED INDLS(6), Antofagasta, B. H. Prop., Brierley Invs, Kvaerner 'B', Pacific Dunlop, Western Mining, ELECTRICITY(1), South Wales, ELECTRNC & ELECT EQUIP(7), ASEA 'B', Copymore, Denka Bus, Kenwood Appliances, Peek, Philips Elect, Scholes, ENGINEERING(11) ENG, VECHICLES(4), Mid-States, Motor World, Volkswagen, Volvo 'B', EXTRACTIVE INDS (33) FOOD MANUF(2) Greencore, Moran, HEALTH CARE(1) Takare, HOUSEHOLD GOODS(4) Paterson Zochnis, Do. A N/V, Portmeirion Potts., Waterford Wedgwood INSURANCE(2) Angerstein, Archer (A.J.), INVESTMENT TRUSTS(73), INVESTMENT COMPANIES(17) LEISURE & HOTELS(5), Artoura 6 3/8p Cv Pf, Castle Comm, Mandarin Oriental, Pnam Leisure, Rank Org., LIFE ASSURANCE(3) Aegon, Liberty Life Assoc. Africa, Transatlantic, MEDIA(12) MERCHANT BANKS(2) Close Bros, Rea Bros, OIL EXPLORATION & PROD(1) Europe Energy, OTHER FINANCIAL(10) OTHER SERVS & BUSNS(1) Greenway, PHARMACEUTICALS(2), Astra B, Grampian Hldgs, PRTNG, PAPER & PACKG(14) PROPERTY (13) RETAILERS, FOOD(3) Dairy Farm Intl., Park Food, [illegible] RETAILERS, GENERAL(8) Austin Reed, Bentalls, Coles Myer, Frost Group, Next, Stylo, SUPPORT SERVS(4) H[illegible], Ricardo, Vega, Virtuality, TEXTILES & APPAREL(2) Dewhirst, Jacques Vert TRANSPORT(7) Cathay Pacific, Dart, Eurotunnel Units, Do Wts 1993, IoM Steam, TNT, [illegible] & Britten, AMERICANS(1) CANADIANS(1) SOUTH AFRICANS(2)

NEW LOWS (13).

OTHER FIXED INTEREST(3), [illegible] & [illegible] ELECTRNC & ELECT EQUIP(1), EXTRACTIVE [illegible] & HOTELS(1), MEDIA(1), OIL EXPLORATION & PROD(1), PROPERTY(2), SUPPORT SERVS(1), TOBACCO(1).

EQUITY FUTURES AND OPTIONS TRADING

Derivatives markets continued to exert a powerful influence over the underlying stock market yesterday, *writes Terry Byland*.

But stock index futures were themselves highly volatile as locals, or independent traders, tried to anticipate the expected bout of profit-taking in the March contract on the FT-SE 100 [illegible]. [illegible] was [illegible] continued nervousness over expiry on over the [illegible] programmes.

The March futures contract ignored [illegible] firm opening in equities and fell sharply as the locals sold it down relentlessly until it [illegible] at [illegible] discount against the index itself – fair value [illegible] at around [illegible] points. [illegible] pressure also came from the US, [illegible] interest rates may rise.

In what has become a rare response, London securities firms opened "negative" [illegible] programmes, buying the future and selling the blue chip [illegible] midsession, however, [illegible] selling [illegible] away and [illegible] rallied strongly, closing at 3,422, almost in line with fair value. Trading volume was high at just above 13,000 contracts.

Business in traded options [illegible] also strong, [illegible] 40,740 contracts, with the FT-SE 100 option recording [illegible] the [illegible] on New [illegible] Eve saw 5,992 Footsie contracts [illegible]. The [illegible] FT-SE option had 3,571 lots dealt. Individual contracts were headed by Glaxo, with 2,355 traded as the market responded to the news on US sales rulings.

Tomkins, Ladbroke and Trafalgar House, favoured in the new year recommendations of several broking houses, had 1,486, 1,129 and 1.016 contracts transacted respectively.

■ FT-SE 100 INDEX FUTURES (LIFFE) £25 per full index point

	[illegible]	[illegible]	Change	[illegible]	Low	Est. vol	Open int.
Mar	3433.0	3420.0	-6.0	3434.0	3386.0	15026	[illegible]
Jun	3434.0	3431.0	-6.0	3434.0	3422.0	3	[illegible]

Contract traded on APT. Open interest figures are for previous day.

■ FT-SE 100 INDEX OPTION (LIFFE) (*3404) £10 per full index point

	3200 C	3200 P	3250 C	3250 P	3300 C	3300 P	3350 C	3350 P	[illegible] C	[illegible] P	3450 C	3450 P	3500 C	3500 P	3550 C	3550 P
Jan	212½	3½	165½	6	116	10½	76½	20½	[illegible]	39½	22	66½	[illegible]	108½	4	154½
Feb	227½	12	184½	18½	143½	27½	108½	47	[illegible]	61½	[illegible]	87	31	[illegible]	[illegible]	[illegible]
Mar	228½	23½	198½	32	161½	44	128	60	[illegible]	81	70	103½	[illegible]	[illegible]	[illegible]	[illegible]
Jun	280½	33½	212½	44½	178	58½	142	73½	[illegible]	93½	94½	119	68	148½	[illegible]	[illegible]
Sept†	274½	50½			201½	78½			[illegible]	114			93	166		

Calls 5,594 Puts 5,572

■ EURO STYLE FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

	3125 C	3125 P	3175 C	3175 P	3225 C	3225 P	3275 C	3275 P	3325 C	3325 P	3375 C	3375 P	3425 C	3425 P	3475 C	3475 P
Jan	281½	2	231½	3	183½	5	137½	9½	94½	14	58½	28	32	50½	14½	83½
Feb	296	6½	259	10	206	15	162½	32	122½	33	86½	46	60½	69	36½	96½
Mar	305½	14½			219	25½			143	49½			82½	87½		
Jun	334½	37			255½	50			[illegible]	[illegible]			130½	123½		
Sept†	361½	53			287½	73			222	105			165½	146½		

Calls 894 Puts 2,712 * Underlying index value. Premiums shown are based on settlement prices. † Long dated expiry months.

FT - SE Actuaries Share Indices — The UK Series

	Jan 4	Day's [illegible]	Dec 31	Dec 30	Dec 29	Year ago	Div. yield%	Earn. [illegible]	P/E [illegible]	Xd adj. ytd	Total Return
FT-SE 100	3408.5	[illegible]	[illegible]	[illegible]	[illegible]	2833.6	[illegible]	5.12	[illegible]	[illegible]	[illegible]
FT-SE Mid 250	3799.4	[illegible]	[illegible]	[illegible]	3807.0	2910.2	[illegible]	5.00	[illegible]	[illegible]	[illegible]
FT-SE Mid 250 ex Inv Trusts	3787.5	+0.3	3777.3	[illegible]	[illegible]	2927.5	[illegible]	[illegible]	[illegible]	[illegible]	1370.24
FT-SE-A 350	1700.0	-0.2	[illegible]	[illegible]	1721.5	[illegible]	[illegible]	[illegible]	[illegible]	0.66	[illegible]
FT-SE SmallCap	1874.73	+0.3	1868.66	1864.90	1859.07	1387.35	2.91	[illegible]	[illegible]	[illegible]	[illegible]
FT-SE SmallCap ex Inv Trusts	1825.29	+0.4	1818.15	1814.02	1806.78	1390.39	3.11	4.11	32.04	1.03	1387.08
FT-SE-A ALL-SHARE	1679.71	-0.1	1682.17	1685.26	1699.75	1364.85	[illegible]	5.00	[illegible]	[illegible]	[illegible]

LONDON EQUITIES

LIFFE EQUITY OPTIONS

Option		Calls Jan	Calls Apr	Calls Jul	Puts Jan	Puts Apr	Puts Jul
Allied-Lyons	650	31	52	60½	[illegible]	20½	34
(*672)	700	6½	27	38½	33½	46	61½
[illegible]	280	11	23	28½	[illegible]	17	25

Option		Calls Feb	Calls May	Calls Aug	Puts Feb	Puts May	Puts Aug
Hanson	260	[illegible]	[illegible]	21½	4½	9½	13
(*268)	280	5	8½	12½	15	20½	24
Lasmo	110	18½	21½	25½	7½	12½	[illegible]
Eastern Elec	650	[illegible]	45½	[illegible]	15	[illegible]	36
(*670)	700	9	23½	32½	46	51½	62½
Guinness	460	27	36½	46	[illegible]	[illegible]	[illegible]
(*472)	500	9	18	27	35½	48	56
GEC	330	[illegible]	[illegible]	27	7½	[illegible]	[illegible]
(*335)	360	3½	[illegible]	14½	28	[illegible]	[illegible]
(*1763)	1800	78½	116	141	112	130	146

Option		Calls Feb	Calls May	Calls Aug	Puts Feb	Puts May	Puts Aug
[illegible]	156	14½	–	–	5½	–	–
(*163)	176	5½	–	–	17	–	–

* Underlying security price. Premiums shown are based on closing offer prices.
January 4. Total contracts: 40,217 Calls: 19,551 Puts: 20,666

TRADITIONAL OPTIONS

[illegible] Dealings	Dec 20	Last Declarations	March 24
Last Dealings	[illegible]	Fo[illegible]	April 5

3-month call rate indications are shown in Saturday editions.

Calls: [illegible] Intl., Babcock, Eurotunnel, Millgate, MIM Hldgs., Renison Gold, Rodime, [illegible] Kids, [illegible] Triplex, Virtuality, [illegible] Mining Puts: [illegible], Millgate Puts & Calls: Waverley Mining.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	2	74	[illegible]
Other Fixed Interest	1	0	[illegible]
Mineral Extraction	102	34	73
General Manufactures	233	91	361
Consumer Goods	65	38	92
Services	170	62	[illegible]
Utilities	8	32	6
Financials	129	61	[illegible]
Investment Trusts	134	80	253
Others	44	50	[illegible]
Totals	888	540	[illegible]

Data based on those [illegible] listed on the [illegible] Share [illegible]

LONDON RECENT ISSUES: EQUITIES

[illegible] p	Amt paid up	Mkt. [illegible] (£m.)	High	Low	Stock	Close price p	+/-	Net [illegible]	[illegible]	Grs [illegible]	[illegible]
100	F.P.	[illegible]	102	100	[illegible] C	100½		-	-	-	-
100	F.P.	26.5	[illegible]	[illegible]	[illegible] Lloyds	[illegible]	+1	-	-	-	-
[illegible]	F.P.	[illegible]	265	230	Adan	265		L3.0	[illegible]	1.4	[illegible]
100	F.P.	[illegible]	[illegible]	[illegible]	CLM [illegible]	105		-	-	-	-
250	F.P.	[illegible]	250	217	[illegible]	221	-3	-	-	-	-
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Chelsfield	182		[illegible]	-	1.6	-

RIGHTS OFFERS

Issue price p	Amount paid up	Latest renun. date	High	Low	Stock	Closing price p	+or-
325	[illegible]	17/1	93pm	83pm	Bemrose	[illegible]	
65	Nil	10/1	11pm	7pm	[illegible] End	[illegible]	
320	Nil	2/2	[illegible]	[illegible]	Bowthorpe	33pm	-1
50	Nil	27/1	[illegible]	3pm	Dwyer [illegible]	[illegible]	
280	Nil	11/2	138pm	115pm	Heywood Williams	137pm	+10
36	[illegible]	10/1	4pm	[illegible]	Hicklare	2½pm	
195	Nil	31/1	[illegible]	17pm	NFC	37pm	+1
11	Nil	[illegible]	8pm	2½pm	Serif	[illegible]	+½
25	Nil	[illegible]	[illegible]	[illegible]	Sheldon [illegible]	[illegible]	[illegible]
[illegible]	Nil	5/1	[illegible]	18pm	Tay [illegible]	57pm	-1
32	Nil	[illegible]	7pm	3pm	[illegible] Trust	3pm	-2
[illegible]	Nil	14/1	[illegible]	11pm	Wyevale [illegible]	19pm	

pm Price at a premium.

FINANCIAL TIMES EQUITY INDICES

	Jan 4	Dec 31	Dec 30	Dec 29	Dec [illegible]	Yr ago	*High	[illegible]
Ordinary share	[illegible]	[illegible]	2570.4	2598.7	[illegible]	[illegible]	[illegible]	2124.7
[illegible] yield	3.65	3.64	[illegible]	3.58	3.62	[illegible]	4.52	3.58
Earn. yld. [illegible] full	4.13	4.12	4.10	[illegible]	4.11	[illegible]	6.38	[illegible]
P/E [illegible]	28.29	30.66	[illegible]	31.10	[illegible]	[illegible]	31.10	[illegible]
P/E [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	18.14
Gold Mines	277.9	257.7	258.0	250.4	243.1	62.5	277.9	60.0

*For 1993/94. Ordinary share index since compilation: high 2598.7 29/12/93; low 49.4 26/6/40
Gold Mines index since compilation high: 734.7 [illegible] - low 43.5 26/10/71
Ordinary [illegible] base date [illegible] Gold Mines [illegible]

Ordinary Share hourly changes

Open	[illegible]	[illegible]	11.00	12.00	[illegible]	14.00	15.00	[illegible]	[illegible]	[illegible]
n.a	2555.3	[illegible]	[illegible]	[illegible]	2538.4	2535.7	2539.4	[illegible]	2567.6	[illegible]

	[illegible]	Dec [illegible]	Dec 30	Dec 29	Dec [illegible]	Yr ago
SEAQ bargains	43,876	20,171	[illegible]	[illegible]	15,425	33,093
Equity turnover (£m)†	-	[illegible]	[illegible]	1049.0	560.6	1419.9
Equity bargains†	-	[illegible]	41,272	[illegible]	17,548	[illegible]
Shares traded (ml)†	-	[illegible]	474.3	[illegible]	289.1	[illegible]

† Excluding intra-market business and overseas turnover

LONDON SHARE SERVICE

BANKS

Notes	Price	+ or -	1993/94 high	low	Mkt Cap£m	Yld Gr's	P/E
ABN Amro Fl	£25¼	+⅛	£26¾	£18¼	7,036	4.1	13.4
ANZ A$	226½	—	228½	130	2,950	4.0	ϕ
Abbey National †□	509	-3	524	345	6,673	2.9	19.6
Allied Irish I£ ♣†a□	285	+2	296	179	1,942	3.5	16.1
Anglo Irish I£ ¶□	63	—	66	32	78.7	7.5	ϕ
Asahi Y	653	-6	844	415	15,151	0.7	-
Banco BB Viz Pta	£14⅞	—	£17⅞	£13⅛	3,436	5.6	6.6
Banco Sant Pta	£31	-½	£36	£24	3,444	4.3	11.7
Bank Leumi (UK)	376	—	375	325	29.6	5.7	-
Bk Ireland I£ ♣u□	294	+3	*295	177	1,383	4.2	21.7
Bank Scotland ♣†□	229	-5	240½	116½	2,564	2.7	29.9
9¼pc Pf	139¼	-1	140¾	117¾	139.3	8.3	-
9¼pc Pf	148¼	-½	147¼	123½	148.3	8.3	-
Barclays ‡N□	634	-2	652	362	10,283	2.6	-
Dai Ichi Kan Y	1668	-7	1989	857	33,326	0.5	58.1
Deutsche DM	£343¼	-1½	£348⅞	£250½	16,347	1.8	-
Espirito Santo	£23⅛	-⅝	£24	£16½	250.0	3.5	5.5
First Nat Fin Z□	80	—	*95	45	98.1	1.0	-
Fuji Bank Y	1401	—	1651	876	40,585	0.4	-
6.3pc Cv Pf	78xd	-3	*91	55	6.24	10.1	-
7pc Cv Pf	123xd	-4	167½	106	58.4	7.1	-
HSBC HK †□	985	-6	1007	474	16,814	2.5	23.6
HSBC (75p Shs) †□	972	-2	987	490	7,980	2.6	23.3
Lloyds †□	658	-1	690	492	8,448	3.8	18.8
Mitsubishi Y	£15⅝	-⅛	£19¾	£11⅛	44,995	0.3	-
Mits Tst & Bk Y	£7	-⅛	£10⅛	£4⅝	9,115	0.7	11.2
Mitsui Tst & Bk Y	516	-6	862	374	6,182	1.0	17.6
Nat Aust A$	668	+2	675	322	7,436	4.0	ϕ
NatWest †□	611	-9	634	396	10,154	3.6	37.1
Ottomane FFr	£28¼	+½	£28¼	£23¼	141.3	5.3	8.3
Ryl Bk Scotland ♣N□	454	-2	470	207	3,804	3.0	30.5
Sakura Y	£8⅞	-⅛	£11	£5¾	28,581	0.6	53.9
Sanwa Y	£12	-⅝	£16	£7¾	34,807	0.4	-
Standard Chartd †□	1227	-15	1268	576	2,921	2.1	-
Sumitomo Y	£11⅝	-⅛	£16¼	£8⅞	36,511	0.5	25.0
Sumitomo Tst Y	£8¼	-⅛	£9⅞	£4⅛	7,773	0.9	49.0
TSB □	239	-3	260	145½	3,628	3.3	-
Tokai Y	£6⅞	+⅛	£9⅞	£4⅞	13,983	0.8	45.9
Toyo Tst & Bk Y	586	-32	840	411	4,621	0.8	52.4
Westpac A$	211	—	214	121	3,889	3.6	ϕ
Yasuda Tst Bk Y ♣	443	+1	690	343	4,886	1.1	39.5

BREWERIES

Notes	Price	+ or -	1993/94 high	low	Mkt Cap£m	Yld Gr's	P/E
Ascot Hldgs □	6	—	16½	4½	21.2	-	-
Bass ♣N□	641	+5	647	441	4,695	4.6	14.7
Boddingtons †□	285	—	299	189	343.7	3.3	16.6
Burtonwood	179	-1	184	129	37.2	3.3	[illegible]
Eldridge Pope A ♣	142xd	+1	145	76	27.6	3.1	ϕ
Fosters A$	66	+½	70½	50	2,124	4.1	ϕ
Fuller STA ♣†	425xd	+2½	435	338	88.3	2.2	19.2
Gibbs Mew ♣†	398	—	403	148	25.6	2.6	19.5
Greenalls ♣N□	471xd	+3½	475	347	963.0	3.3	16.2
Greene King	551xd	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BUILDING & CONSTRUCTION

BUILDING MATERIALS & CNSTRN

BUILDING MATERIALS & CNSTRN - Cont.

CHEMICALS

DISTRIBUTORS

DIVERSIFIED INDUSTRIALS

ELECTRICITY

ELECTRONIC & ELECTRICAL EQPT

ELECTRONIC & ELECTRICAL EQPT - Cont.

ENGINEERING

ENGINEERING VEHICLES

EXTRACTIVE INDUSTRIES

FOOD MANUFACTURERS

DISTRIBUTION

HEALTH CARE

HOUSEHOLD GOODS

INSURANCE

INVESTMENT TRUSTS

INVESTMENT TRUSTS - Cont.

LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

[illegible]

INVESTMENT COMPANIES

[illegible]

LEISURE & HOTELS

[illegible]

LEISURE & HOTELS - Cont.

[illegible]

MEDIA

[illegible]

MERCHANT BANKS

[illegible]

OIL EXPLORATION & PRODUCTION

[illegible]

OIL, INTEGRATED

[illegible]

OTHER FINANCIAL

[illegible]

OTHER SERVICES & BUSINESSES

[illegible]

PHARMACEUTICALS

[illegible]

PRINTING, PAPER & PACKAGING

[illegible]

PROPERTY

[illegible]

PROPERTY - Cont.

[illegible]

RETAILERS, FOOD

[illegible]

RETAILERS, GENERAL

[illegible]

SPIRITS, WINES & CIDERS

[illegible]

SUPPORT SERVICES

[illegible]

TELECOMMUNICATIONS

[illegible]

TEXTILES & APPAREL

[illegible]

TOBACCO

[illegible]

TRANSPORT

[illegible]

WATER

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

SOUTH AFRICANS

[illegible]

GUIDE TO LONDON SHARE SERVICE

[illegible]

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xi ex capital [illegible]

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AUTHORISED UNIT TRUSTS

AIB Unit Trust Managers Limited (1000)F
51 Belmont Rd, Uxbridge, Middx UB8 1RZ 0895 259783

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
AIB Grofund American	6	167.1	168.9xd	177.7	-1.00	0.00
AIB Grofund Equity	5	248.3	251.2	265.8	-1.60	1.61
AIB Grofund Euro.	5	201.3	203.0	213.7	+2.00	0.00
AIB Grofund Expt Balanced	3	122.4	123.6	128.1	+0.08	1.22
AIB Grofund Gilt	3	62.91	62.93	65.49	-0.11	4.24
AIB Grofund Japan	5	152.9	154.3xd	162.4	-2.20	0.00

AXA Equity & Law Unit Tst Mngrs (1200)H
Equity & Law Hse, Corpn St, Coventry 0203 553231

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
General Inc	5	485.8	487.2	518.4	-2.8	2.12
General Acc	5	538.2	540.9	575.5	-3.1	2.12
UK Growth Acc	6	365.4	370.1	393.8	+0.1	2.27
UK Growth Inc	6	255.9	259.2	275.8		2.27
Higher Inc Acc	6	681.6	691.1	735.3	+0.2	3.23
Higher Inc Inc	6	407.8	413.3	439.7	+0.1	3.23
Gilts/Fxd Int Acc	5½	196.3	196.3	207.3	-1.1	5.48

Capel-Cure Myers UT Mngt Ltd - Contd.
Exempt Fund

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
High Yield	2	1392.80	1403.60xd	1470.0	-8.00	3.73
(Accum Units)	2	1874.80	1887.80xd	1749.81	-8.00	3.73

Capital House Unit Tst Mgrs (1200)F
Capital House, Festival Square, Edinburgh.
031-228 4477 Dealing 0800 633561

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
American Grwth Tst	6	37.32	37.77	40.39	-0.21	0.81
American Grwth Tst Acc	6	37.54	37.99	40.63	-0.21	0.91
Cash Acc	0	61.41	61.41xd	61.47	—	5.39
Do Income	0	50.23	50.23xd	50.23	—	5.39
European Grwth	6	39.70	39.70	42.34	+0.14	0.83
Income & Grwth Acc	6	31.80	31.80	34.01	-0.41	3.94
Do Income	6	29.30	29.38	31.40	-0.4	3.94
Intnl Grwth	6	31.50	31.58	33.78	-0.07	0.76
Japan Grwth	6	24.19	24.22	25.90	-0.24	—
Managed Tst Acc	6	53.49	53.09	57.42	+0.09	0.47
Do Income	6	51.92	52.11	55.73	+0.09	0.47
Oriental Opps Acc	6	188.4	192.0	208.1	+8.1	0.49
Do Income	6	184.5	186.8	199.7	+6.9	0.49
Property Shares	6	42.86	43.85xd	47.00	+0.01	1.73
Smaller Cos	6	30.84	31.85	33.85	+0.06	1.58
Uk Growth Tst	6	28.66	30.66	29.81	-0.39	2.64
Mngd Exempt Acc	3	271.8	274.5xd	285.9	-11.4	2.21
Do Income	3	253.3	255.8xd	286.4	-4.1	2.21

Fidelity Investment Servs Ltd - Contd.
Income Funds

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
High Income	4	28.43	28.78xd	30.28	-0.10	4.89
Income Plus	5¼	123.7	123.7xd	131.6	-1.00	3.93
Amer Eq Inc	5¼	48.10	48.10	51.05	-0.61	1.88
European Income	6¼	43.71	43.95	46.74	+0.06	2.43
Far East Inc	5¼	68.68	68.68	73.02	-0.11	2.20
Global Convertible	5¼	24.83	24.83xd	26.49	+0.07	2.16

Equity Funds

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
ASEAN	5¼	80.24	82.08	87.66	+3.76	0.00
America	5¼	233.0	233.0	247.1	-3.10	0.00
Amer Spec Sits	5¼	111.7	111.7	118.2	—	0.00
Japan Smaller Cos	6¼	35.40	35.40	37.77	-0.51	0.00
European	6¼	154.7	155.7	165.6	+0.80	0.00
European Opps	5¼	58.07	58.24	61.93	+0.06	0.00
UK Growth	5¼	87.31	88.04	93.61	-0.04	0.00
Growth & Inc	5¼	157.9	157.3xd	167.3	-1.90	2.44
Intl PEP	6¼	36.76	38.03	38.31	+0.03	0.00
Japan Spec Sits	6¼	77.67	77.67	83.09	-1.05	0.00
Japan	5¼	166.8	166.8	178.4	-1.80	0.00
Managed Intl	5¼	261.0	261.0	278.7	-0.80	0.00
Moneybuilder	6¼	51.38	51.64	55.09	+0.28	0.00
Recovery	6¼	41.10	42.14	44.81	+0.27	0.00
South E. Asia	6¼	187.8	189.2	201.9	+5.30	0.00
Special Sits	5¼	487.0	487.9	529.5	+2.30	0.00

Mercury Fund Managers Ltd (1000)H
33 King William St, EC4R 9AS Dealing 071-280 2860

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
American	5	225.9	205.9xd	218.9	—	0.00
(Accum Units)	5	220.1	220.1xd	233.9	—	0.00
American Opps	5	90.16	90.90	96.84	+0.25	0.00
(Accum Units)	5	91.28	91.72	97.84	+0.25	0.00
British Blue Chip	5	83.74	83.74	89.07	-0.42	2.83
(Accum Units)	5	100.7	100.7	107.1	-0.50	2.83
Cash*	0	100.9	100.9	100.9		5.19
(Accum Units)*	0	132.5	132.5	132.5	+0.18	5.19
Emerging Markets	6¼	136.9	137.9	148.3	+0.80	0.00
(Accum Units)	6¼	136.9	137.9	148.3	+0.80	0.00
European Growth	5	241.8	241.8	256.5	+0.09	0.82
(Accum Units)	5	260.3	260.3	276.1	+0.90	0.82
European Income	5	84.94	84.94xd	90.01	-0.12	2.71
(Accum Units)	5	111.2	111.2xd	117.9	-0.10	2.71
General	5	538.2	538.2	572.7	-1.70	2.11
(Accum Units)	5	1030	1030	1098	-3.60	2.11
Global Bond	5	135.8	135.8	142.8	-0.60	6.58
(Accum Units)	5	158.4	158.4	164.5	-0.68	6.58
Govt Securities	3	103.3	103.3xd	108.5	-0.60	6.68
(Accum Units)	3	191.3	191.3xd	197.2	-1.10	6.68
Gold & General	6¼	202.1	203.9	218.2	+8.90	0.43
(Accum Units)	6¼	206.7	208.4	224.1	+9.80	0.43
Income	5	164.3	164.3xd	174.7	-0.80	3.90
(Accum Units)	5	245.8	245.8xd	261.3	-1.30	3.90

Pembroke Administration Ltd (0800)F
18-19 Sandland St, London WC1R 4PZ. 071-430 0599

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
Pembroke Accum	6	169.70	172.38	182.38	—	1.63
Pembroke World Acc.	6	72.21	74.04	78.78		0.25
Pembroke Balanced	6	175.99	175.99	186.31	+0.90	2.78
Pembroke Income	6	106.63	106.63	113.58	+0.17	4.36

Perpetual Unit Tst Mngmt (1600)F
48 Hart Street, Henley on Thames 0491 417000

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
International Grwth	5¼	607.83	610.64	653.10	+5.28	0.04
Income	5¼	353.89	354.89	379.87	-0.37	2.76
W'wide Recovery	5¼	370.72	370.72	398.59	-0.70	0.31
American Growth Inc.	5¼	227.29	228.11	243.87	-1.16	0.01
American Growth Acc	5¼	227.29	228.11	243.97	-1.16	0.01
Intl Emerging Cos	6¼	257.34	260.74	278.87	+2.40	0.01
Far Eastern Growth Inc.	5¼	302.82	307.63xd	329.02	+6.35	0.01
Far Eastern Growth Acc	5¼	302.82	307.63	329.02	+6.35	0.01
European Grwth Inc	5¼	137.59	138.69xd	148.34	+1.35	0.64
European Grwth Acc	5¼	137.59	138.69	148.34	+1.35	0.64
UK Growth Inc	5¼	88.52	89.88	96.13	+0.28	2.39
UK Growth Acc	5¼	89.52	89.88	96.13	+0.28	2.39
High Income	5¼	97.21	97.50xd	104.86	-2.90	3.70
Japanese Grwth Inc	6¼	194.95	194.95	207.88	-1.83	0.01
Japanese Grwth Acc	5¼	194.95	194.95	207.86	-1.83	0.01
PEP Growth	5¼	120.56	121.13	129.55	+0.82	0.99
Asian Smllr Mkts Inc.	5¼	162.41	164.09xd	175.47	+3.89	0.01
Asian Smllr Mkts Acc	6¼	162.41	164.09	175.47	+3.89	0.01
American Smaller Cos Inc.	5¼	136.89	138.79xd	148.41	-0.47	0.01
American Smaller Cos Acc.	5¼	136.89	138.79	148.41	-0.47	0.01
Global Bond	3¼	64.58	64.58	68.04	-0.14	5.26
UK Smaller Cos Inc	6¼	76.28	77.14	82.61	+0.35	1.18
UK Smaller Cos Acc.	5¼	77.27	79.16	84.89	+0.35	1.18

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (♥) - 0001 to 1100 hours; (♠) - 1101 to 1400 hours; (♦) - 1401 to 1700 hours; (♣) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point; a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation,
Centre Point,
103 New Oxford Street, London WC1A 1QH
Tel: 071-379-0444.

هكذا اصله الاصل

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INSURANCES

OTHER UK UNIT TRUSTS

FT MANAGED FUNDS SERVICE

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Royal Heritage Life Assurance Ltd - Contd.

Scottish Provident Group - Contd.

Scottish Widows' Group

Skandia Life Assurance Co Ltd

TSB Life Ltd

Target Life Assurance Co Ltd

Teachers' Assurance Company Ltd

Royal Life Insurance Ltd

Royal Liver Assurance

Scottish Amicable

Scottish Equitable plc

Scottish Life Investments

Scottish Mutual Assurance plc

Scottish Provident Group

Sun Alliance Group

Sun Life Unit Assurance Ltd

Swiss Life (UK) PLC

Zurich Life Assurance Co Ltd

OFFSHORE INSURANCES

MANAGEMENT SERVICES

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

CANADA (SIB RECOGNISED)

GUERNSEY (SIB RECOGNISED)

IRELAND (SIB RECOGNISED)

GUERNSEY (REGULATED)(**)

IRELAND (REGULATED)(**)

ISLE OF MAN (SIB RECOGNISED)

ISLE OF MAN (REGULATED)(**)

JERSEY (SIB RECOGNISED)

JERSEY (REGULATED)(**)

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LUXEMBOURG (SIB RECOGNISED)

LUXEMBOURG (REGULATED)(**)

SWITZERLAND (SIB RECOGNISED)

OTHER OFFSHORE FUNDS

Wells Fargo U.S. IT Fund

	Bid Price	Offer Price	+ or -	Yield Gross
Wells Fargo A Shs	$13.35		-0.05	-
Wells Fargo B Shs	$13.67		-0.14	-

Worldwide Limited

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Nov 30	$93.70		—	-

Xiphias International Investment Fd Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Xiphias Int US$ Acc	$1.4817		—	-
Xiphias Int ECU Acc	Ecu1.5951		—	-
Xiphias Int ECU Dis	Ecu1.3488		—	-

Yamaichi Capital Mngmt (Guernsey) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Thai Inv Fund	$22.12		—	-

MANAGED FUNDS NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % allow for all buying expenses. Prices of certain older insurance linked plans subject to capital gains tax on sales. k Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. u Designated as a UCITS (Undertakings for Collective Investment in Transferable Securities). x Offered price includes all expenses except agent's commission. z Previous day's price. ¶ Guernsey gross. ‡ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡ Only available to charitable bodies. ϕ Yield column shows annualised rates of NAV increase. xd ex dividend.

(**) Funds not SIB recognised. The regulatory authorities for these funds are: Guernsey Financial Services Commission; Ireland: Central Bank of Ireland; Isle of Man: Financial Supervision Commission; Jersey: Financial Services Department; Luxembourg: Institut Monétaire Luxembourgeois.

CURRENCIES [redacted] MONEY

MARKETS REPORT

Cautious start [redacted]

London's financial [redacted] got [redacted] to a [redacted] yesterday in the first day of trading [redacted] 1994, *writes Gillian Tett.* With market operators [redacted] on the likely impact [redacted] the meeting [redacted] council tomorrow and publication of the [redacted] non-farm payroll figures on Friday, dealers were hesitant about taking strong positions too early in the week.

But though trading was fairly light yesterday, the strengthening of the dollar and sterling, and [redacted] the [redacted] and D-Mark highlighted trends that seem [redacted] underpin the currency [redacted] in the first [redacted] the [redacted]

■ Sterling yesterday rose against [redacted] major currencies [redacted] publication [redacted] higher-than-expected M0 figures in Britain.

Provisional, seasonally adjusted M0 grew by 5.8 [redacted] in the [redacted] December, [redacted] points higher than [redacted] growth that had been expected by the market.

The well publicised [redacted] in [redacted] Christmas period had already encouraged most [redacted] market [redacted] rise [redacted] M0. But the [redacted] partly dampened speculation [redacted] the possibility of early [redacted] cuts.

Sterling [redacted] half [redacted] pfennig against the D-Mark, closing at DM2.578, up from [redacted] day before. It also gained slightly against [redacted] dollar, closing at $1.4815, [redacted] from a previous level [redacted] $1.4805.

But although dealers expect sterling [redacted] continue [redacted] strengthen against [redacted] D-Mark, opinions remain very [redacted] possibility of [redacted] British [redacted] cut. In spite of [redacted] of strong housing figures yesterday, [redacted] latest in a string of positive economic data, analysts point [redacted] impact [redacted] rises in the spring could undermine the economic recovery.

Nevertheless, they point [redacted] factor [redacted] could trigger a [redacted] cut would be [redacted] further strengthening of sterling [redacted] coming months.

"The market's perception [redacted] that the Bank of England [redacted] not want [redacted] strong sterling. The feeling in the markets [redacted] Bank [redacted] England will knock sterling down if it breaks through [redacted] DM2.60 level," commented Mr Avinash Persaud of J.P. Mor[redacted]

● The dollar yesterday continued to maintain its bullish tone in both European and US trading. Although profit taking contributed to a slightly [redacted] rise, [redacted] further gains against [redacted] D-Mark. In early London trading [redacted] hit a [redacted] DM1.7480, [redacted] closing [redacted] DM1.74, up on [redacted] previous day's [redacted] Euro[redacted] trading. The [redacted] continued to make inroads against [redacted] closing [redacted] Y113.2, [redacted] previous day's close [redacted] Y112.4.

With the [redacted] for the Japanese economy likely [redacted] gloomy, dealers yesterday [redacted] that the [redacted] to remain [redacted] against [redacted] dollar in the near future, [redacted] the continuing political uncertainty in Japan.

However, [redacted] dollar's gains in [redacted] days have provoked differing predictions [redacted] sustainability of [redacted] rise.

Mr Julian Callow, currency [redacted] with [redacted] son, predicts [redacted] dollar [redacted] "on its way up" against [redacted] and [redacted] yen, and believes it could hit [redacted] Y115 in [redacted] term.

Ms Alison Cottrell, of Mid[redacted] Global [redacted] however, thinks that Monday's strong dollar push is unlikely to [redacted] sustained. "How much more of a growth story can you build into the US?", she wonders, pointing out that the performance of the dollar could [redacted] sharply affected by the publication of the non-farm payroll figures on Friday.

● One point of consensus, though, across the market, is that the [redacted] will remain weak against [redacted] major currencies. The publication of [redacted] industrial production figures showing a sharper-than-expected fall [redacted] 2.1 per cent in November pushed [redacted] D-Mark down yesterday, [redacted] speculation [redacted] the likelihood of another rate cut soon.

Although dealers remain uncertain that this will occur when the the Bundesbank council [redacted] Thursday, they point out that a [redacted] cut [redacted] widely expected by the end [redacted] this month. Mr Michael Feeny, senior dealer at Sumitomo bank yesterday [redacted] "The mar[redacted] particularly [redacted] the [redacted] will cut [redacted] on Thursday [redacted] on [redacted] 20th." Meanwhile, a [redacted] from [redacted] Governor indicating [redacted] further [redacted] were unlikely in Sweden helped push the Swedish Kronor up significantly against [redacted] closed [redacted] DM0.2106, [redacted] from [redacted] previous days close [redacted] DM0.2079.

■ The [redacted] Bank [redacted] Portugal yesterday followed [redacted] downward trend in European [redacted] by shaving [redacted] point [redacted] intervention rate, offering eight-day [redacted] absorb liquidity and offering [redacted] inject eight-day funds [redacted] per cent.

Dealers pointed [redacted] that the [redacted] widely expected, given the steady performance [redacted] in [redacted]

● The Bulgarian lev [redacted] noon [redacted] a record [redacted] to [redacted] nervy [redacted] forex market, [redacted] said.

They could not explain whether [redacted] turmoil was pure speculation [redacted] real dollar demand, [redacted] several banks and financial houses bid for dollars without bargaining. [redacted] it [redacted] partially [redacted] at [redacted] close.

Sterling

Against the DM (DM per £)

Source: Datastream

■ **Pound in New York**

Jan [redacted]	—Latest—	— [redacted] —
£ spot	1.4840	[redacted]
1 mth	1.4810	[redacted]
3 mth	1.4767	[redacted]
1 yr	1.4653	1.4573

POUND SPOT FORWARD AGAINST THE POUND

Jan 4		Closing mid-point	Change on day	[redacted]	Day's Mid [redacted]	low	[redacted] month Rate	%PA	Three [redacted]	[redacted]	[redacted] year Rate	%PA	Bank of Eng. [redacted]
Europe													
Austria	[redacted]	[redacted]	+0.0017	676 - 035	[redacted]	[redacted]	[redacted]	-0.2	[redacted]	-0.3	-	-	114.0
Belgium	(BFr)	53.6127	[redacted]	459 - 794	53.8411	53.5106	[redacted]	-1.8	53.8127	-1.5	54.0877	-0.9	113.1
Denmark	(DKr)	10.0479	[redacted]	381 - 576	[redacted]	10.0422	[redacted]	-1.5	10.0883	-1.6	10.1432	-0.9	115.2
Finland	(FM)	8.5683	[redacted]	514 - 851	[redacted]	[redacted]	-	-	-	-	-	-	79.7
France	(FFr)	8.7549	+0.0073	500 - 598	[redacted]	[redacted]	8.7634	-1.2	8.7767	-1.0	[redacted]	-0.4	108.4
Germany	(DM)	2.57[redacted]	[redacted]	771 - 792	2.5843	[redacted]	[redacted]	-0.7	2.5817	-0.5	[redacted]	-0.1	122.8
[redacted]	[redacted]	370.685	+0.93	375 - 995	371.908	369.390	-	-	-	-	-	-	-
Ireland	(I£)	1.0475	-0.0035	465 - 485	1.0525	1.0460	1.0484	-1.0	1.05	-1.0	1.0537	-0.6	103.1
[redacted]	(L)	2514.07	-9.08	299 - 515	2530.05	2512.84	[redacted]	-3.1	[redacted]	[redacted]	[redacted]	-2.8	[redacted]
Luxembourg	(LFr)	53.6127	-0.0444	459 - 794	53.8411	53.5[redacted]	53.6927	-1.8	53.8127	-1.5	54.0877	-0.9	113.1
Netherlands	(Fl)	2.8825	+0.0044	814 - 835	[redacted]	2.8[redacted]	2.8829	-0.2	2.8833	-0.1	2.875	0.3	118.5
Norway	(NKr)	11.1523	+0.0113	481 - 564	11.1811	[redacted]	11.1682	-1.7	11.1661	-0.5	11.1525	0.0	85.2
Portugal	(Es)	262.065	+0.266	781 - 349	[redacted]	[redacted] 740	263.46	-6[redacted]	266.08	-6.1	-	-	-
Spain	(Pta)	213.017	+1.423	818 - 215	[redacted]	211.740	[redacted]	-3.9	214.842	-3.4	219.217	-2.9	84.1
Sweden	(SKr)	12.2438	-0.1225	335 - 541	12.3973	[redacted]	[redacted]	-2.5	[redacted]	-1.8	12.4198	-1.4	74.9
Switzerland	(SFr)	2.2021	+0.0069	012 - 030	2.2073	2.1960	[redacted]	1.3	[redacted]	1.2	2.1717	1.4	116.4
UK	[redacted]	-	-	-	-	-	-	-	-	-	-	-	82.1
Ecu	-	1.3281	+0.0003	269 - 293	1.3312	[redacted]	1.3293	-1.1	1.3311	-0.9	[redacted]	-0.4	-
SDR†	-	0.927677	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	[redacted]	[redacted]	785 - 794	1.4817	1.4721	-	-	-	-	-	-	-
Brazil	(Cr)	498.597	+8.226	477 - 716	500.000	469.000	-	-	-	-	-	-	-
Canada	(C$)	1.9507	+0.0049	498 - 515	1.9546	1.9386	1.9477	1.8	1.9434	1.5	1.9343	0.8	92.4
Mexico	(New Peso)	4.6123	+0.0103	097 - 148	4.6226	4.5820	-	-	-	-	-	-	-
USA	($)	1.4819	+0.0014	815 - 822	1.4847	1.4752	1.479	2.3	1.4747	1.9	[redacted]	1.2	[redacted]
Pacific/Middle East/Africa													
Australia	(A$)	2.1641	-0.0012	628 - 654	2.1690	2.1454	2.1622	1.1	2.1602	0.7	[redacted]	0.2	-
Hong Kong	(HK$)	11.4459	+0.0105	424 - 493	11.4671	11.3952	11.4233	2.4	11.3907	1.9	11.3111	1.2	-
India	(Rs)	46.4986	+0.046	858 - 114	46.5850	46.2840	-	-	-	-	-	-	-
Japan	(Y)	167.679	+1.278	602 - 755	168.230	166.030	167.224	3.3	166.339	3.2	162.234	3.2	174.3
Malaysia	(M$)	3.9047	-0.0446	023 - 071	3.9446	3.8688	-	-	-	-	-	-	-
New Zealand	(NZ$)	2.6351	+0.0007	333 - 369	2.6370	2.6153	2.6356	-1.6	2.6407	-0.8	2.6419	-0.3	-
Philippines	(Peso)	41.0474	+0.0374	413 - 534	40.7413	41.3534	-	-	-	-	-	-	-
Saudi Arabia	(SR)	5.5570	+0.0056	549 - 590	5.5659	5.5327	-	-	-	-	-	-	-
Singapore	(S$)	2.3865	+0.001	852 - 878	2.3919	2.3764	-	-	-	-	-	-	-
S Africa (Com.)	(R)	5.0446	+0.009	423 - 469	5.0554	5.0185	-	-	-	-	-	-	-
S Africa (Fin.)	(R)	6.4387	+0.0873	297 - 476	6.4763	6.2903	-	-	-	-	-	-	-
South Korea	(Won)	1200.67	+3.83	002 - 132	1202.61	1192.70	-	-	-	-	-	-	-
Taiwan	(T$)	39.4543	+0.036	375 - 710	39.5200	39.2800	-	-	-	-	-	-	-
Thailand	(Bt)	37.9799	+0.1753	820 - 777	38.0777	37.6910	-	-	-	-	-	-	-

†SDR rate for Dec 31. B[redacted] spreads in the Pound Spot table show only the last three decimal places. Fo[redacted] rates are not directly quoted to the market but are implied by current interest rates. Sterling index calculated by the Bank of England. Base average [redacted] = 100. Bid, Offer and Mid-rates in both this and the Dollar Spot tables derived from THE WM/REUTERS CLOSING SPOT RATES. Some values are rounded by the F.T.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Jan 4		Closing mid-point	Change on day	Bid/offer spread	Day's mid high	low	One month Rate	%PA	Three months Rate	%PA	One year Rate	%PA	Morgan G'ty index
Europe													
[redacted]	[redacted]	[redacted]	-0.01	090 - 140	[redacted]	[redacted]	[redacted]	-2.5	[redacted]	-2.1	[redacted]	-1.4	103.2
[redacted]	(BFr)	36.1795	[redacted]	430 - 160	[redacted]	[redacted]	[redacted]	-4.1	[redacted]	-3.4	[redacted]	-2.1	102.7
Denmark	(DKr)	6.7806	[redacted]	756 - 856	[redacted]	[redacted]	[redacted]	-3.8	[redacted]	-3.2	[redacted]	-2.1	104.1
Finland	(FM)	[redacted]	-0.0199	721 - [redacted]	[redacted]	[redacted]	5.7971	-3.1	[redacted]	-2.5	[redacted]	-1.4	74.7
[redacted]	(FFr)	[redacted]	-0.0004	062 - 100	[redacted]	[redacted]	[redacted]	-3.5	[redacted]	-2.9	[redacted]	-1.6	104.7
Germany	[redacted]	[redacted]	+0.0027	395 - [redacted]	1.7443	1.7354	1.7442	-3.1	[redacted]	-2.5	[redacted]	-1.3	104.6
Greece	(Dr)	250.150	+0.4	[redacted]	[redacted]	[redacted]	[redacted]	-17.7	[redacted]	-16.4	[redacted]	-18.0	72.0
Ireland	(I£)	1.4147	+0.006	137 - 157	1.4180	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	1.9	-
Italy	[redacted]	[redacted]	-7.67	[redacted]	[redacted]	1693.60	[redacted]	-6.4	1717.43	-4.9	[redacted]	-3.9	76.7
Luxembourg	[redacted]	[redacted]	-0.063	[redacted]	[redacted]	[redacted]	[redacted]	-4.1	[redacted]	-3.4	[redacted]	-2.1	102.7
[redacted]	(Fl)	1.9452	+0.0012	449 - 464	[redacted]	1.9410	[redacted]	-2.5	[redacted]	-1.9	[redacted]	-1.0	104.0
Norway	(NKr)	7.5259	+0.0008	249 - 269	[redacted]	[redacted]	[redacted]	-3.3	[redacted]	-2.5	[redacted]	-1.6	95.3
Portugal	(Es)	176.850	+0.02	700 - 000	177.450	176.500	[redacted]	-8.4	[redacted]	-7.6	[redacted]	-6.3	94.0
[redacted]	(Pta)	[redacted]	+0.83	[redacted]	[redacted]	[redacted]	[redacted]	-6.1	[redacted]	-5.4	[redacted]	-4.2	79.9
Sweden	[redacted]	[redacted]	-0.0903	575 - 675	8.3989	[redacted]	[redacted]	-4.7	[redacted]	-3.8	[redacted]	-2.6	78.3
Switzerland	[redacted]	1.4881	+0.0034	[redacted]	1.4947	[redacted]	1.4875	-1.1	[redacted]	-0.7	[redacted]	0.2	103.3
UK	(£)	1.4819	+0.0014	[redacted]	[redacted]	1.4752	1.479	[redacted]	1.4747	1.9	[redacted]	1.2	90.9
[redacted]	-	1.1156	+0.0008	150 - 165	1.1177	1.1107	1.1126	3.4	[redacted]	2.8	1.0975	1.6	-
SDR†	-	[redacted]	-	-	-	-	-	-	-	-	-	-	-
[redacted]													
Argentina	(Peso)	0.9981	-	980 - 981	[redacted]	0.9979	-	-	-	-	-	-	-
Brazil	(Cr)	336.469	+6.249	468 - 470	[redacted]	[redacted]	-	-	-	-	-	-	-
[redacted]	(C$)	[redacted]	+0.0021	161 - 166	1.3190	1.3135	1.3169	-0.5	1.3178	-0.4	1.3214	-0.4	88.8
Mexico	(New Peso)	[redacted]	+0.0045	115 - 135	3.1135	[redacted]	3.1142	-0.7	[redacted]	-0.7	[redacted]	-0.6	-
[redacted]	[redacted]	-	-	-	-	-	-	-	-	-	-	-	102.9
Pacific/Middle East/Africa													
Australia	(A$)	1.4604	-0.0022	[redacted]	[redacted]	[redacted]	[redacted]	-1.0	[redacted]	-1.2	1.4727	-0.8	[redacted]
Hong Kong	[redacted]	7.7240	-	235 - 245	[redacted]	[redacted]	[redacted]	-0.5	[redacted]	[redacted]	7.7377	-0.2	-
[redacted]	(Rs)	[redacted]	+0.0025	775 - 800	[redacted]	[redacted]	[redacted]	-3.1	[redacted]	-3.6	-	-	-
Japan	[redacted]	113.155	+0.78	[redacted]	113.450	[redacted]	113.07	0.9	[redacted]	1.3	[redacted]	2.1	138.2
Malaysia	(M$)	2.6350	-0.0325	340 - 360	[redacted]	[redacted]	2.638	-1.4	2.646	-1.7	[redacted]	-2.0	-
New Zealand	(NZ$)	1.7783	-0.0011	775 - 790	1.7790	1.7699	[redacted]	[redacted]	[redacted]	-1.0	[redacted]	-0.7	-
Philippines	[redacted]	27.7000	-	[redacted] - 000	[redacted]	27.5000	-	-	-	-	-	-	-
Saudi Arabia	(SR)	3.7500	+0.0002	495 - 505	3.7505	3.7495	[redacted]	-2.7	3.77	-2.1	3.79	-1.1	-
Singapore	(S$)	1.6105	-0.0008	100 - 110	1.6148	[redacted]	[redacted]	1.3	[redacted]	[redacted]	1.613	-0.2	-
S Africa (Com.)	[redacted]	3.4043	+0.003	035 - 050	3.4060	3.4035	3.4206	-5.7	[redacted]	-5.3	3.5566	-4.5	-
S Africa (Fin.)	[redacted]	4.3450	+0.055	400 - 500	4.3700	[redacted]	4.372	-7.5	4.43	-7.8	-	-	-
South Korea	(Won)	810.250	+1.85	000 - 500	810.500	808.400	813.25	-4.4	816.75	-3.2	835.25	-3.1	-
Taiwan	(T$)	26.6250	-	200 - [redacted]	26.6700	26.6200	26.6839	-2.7	26.805	-2.7	-	-	-
Thailand	(Bt)	25.6300	+0.095	[redacted] - 900	25.6800	25.5500	25.6575	-1.3	25.705	-1.2	26.155	[redacted]	-

†SDR rate for Jan 3. [redacted] spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Morgan Guaranty Changes shown for Jan 3 . Base average [redacted]

CROSS RATES AND [redacted]

EXCHANGE CROSS RATES

Jan.4		BFr	DKr	FFr	DM	I£	L	Fl	NKr	Es	Pta	SKr	SFr	£	C$	$	Y	Ecu
Belgium	(BFr)	[redacted]	18.75	16.33	4.909	1.965	[redacted]	[redacted]	20.80	[redacted]	397.3	22.83	[redacted]	1.886	[redacted]	2.764	[redacted]	2.477
Denmark	(DKr)	53.34	[redacted]	8.711	2.565	1.043	2501	2.869	11.09	[redacted]	[redacted]	12.18	2.191	[redacted]	[redacted]	[redacted]	165.9	1.321
France	(FFr)	61.23	[redacted]	[redacted]	2.945	[redacted]	2872	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	2.515	1.142	[redacted]	1.693	191.6	1.517
Germany	(DM)	20.80	[redacted]	3.396	1	0.407	975.2	1.118	4.325	101.7	82.62	4.748	[redacted]	[redacted]	0.757	0.575	65.05	0.515
Ireland	[redacted]	51.15	9.590	[redacted]	2.460	1	2399	2.751	10.64	250.1	203.2	[redacted]	[redacted]	[redacted]	1.862	1.414	160.0	1.267
Italy	[redacted]	2.132	0.400	0.348	0.103	[redacted]	[redacted]	[redacted]	[redacted]	10.43	8.473	[redacted]	0.088	[redacted]	0.078	[redacted]	6.671	0.053
Netherlands	(Fl)	[redacted]	[redacted]	3.037	[redacted]	[redacted]	[redacted]	1	[redacted]	[redacted]	[redacted]	[redacted]	0.764	0.347	0.677	[redacted]	[redacted]	0.461
Norway	[redacted]	[redacted]	9.013	7.862	2.312	[redacted]	2256	2.586	10	235.1	191.0	[redacted]	1.975	[redacted]	1.750	1.329	150.4	1.191
Portugal	[redacted]	[redacted]	3.534	[redacted]	[redacted]	0.400	[redacted]	1.100	4.254	100.	81.27	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	63.98	0.507
Spain	(Pta)	[redacted]	4.718	4.110	1.210	[redacted]	[redacted]	1.354	[redacted]	123.1	100.	5.746	1.034	0.459	[redacted]	[redacted]	78.73	0.623
Sweden	(SKr)	43.80	8.211	[redacted]	2.106	[redacted]	2054	2.355	9.109	[redacted]	[redacted]	10	1.799	0.817	1.594	1.211	[redacted]	1.085
Switzerland	(SFr)	24.35	4.564	3.976	1.171	0.476	[redacted]	1.309	[redacted]	119.0	96.73	5.559	1	0.454	[redacted]	0.673	76.15	0.603
UK	[redacted]	53.61	10.05	8.756	[redacted]	[redacted]	2514	2.883	11.15	262.1	213.0	12.24	2.202	1	[redacted]	[redacted]	167.7	1.328
Canada	[redacted]	[redacted]	5.151	[redacted]	[redacted]	0.537	[redacted]	[redacted]	[redacted]	[redacted]	109.2	[redacted]	1.129	0.513	1	[redacted]	85.98	0.681
US	[redacted]	[redacted]	[redacted]	5.908	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	143.7	8.259	[redacted]	[redacted]	[redacted]	1	113.2	0.898
Japan	(Y)	319.7	59.93	[redacted]	[redacted]	6.249	14991	17.19	[redacted]	1553	[redacted]	[redacted]	[redacted]	[redacted]	11.63	8.837	[redacted]	7.919
Ecu		[redacted]	7.568	6.593	[redacted]	[redacted]	1893	2.171	8.398	197.4	[redacted]	9.217	[redacted]	[redacted]	[redacted]	1.116	126.3	1

Yen per 1,000: Danish Kroner, French Franc, Norwegian Kroner and Swedish Kronor per 10; Belgian Franc, Escudo, Lira and Peseta per 100.

■ **D-MARK FUTURES** (IMM) DM 125,000 [redacted]

	Open	Sett price	Change	High	Low	Est. vol	[redacted]
Mar	0.5705	[redacted]	+0.0020	0.5729	0.5700	[redacted]	[redacted]
Jun	[redacted]	0.5700	+0.0020	0.5700	0.5695	1,799	[redacted]
Sep	-	-	-	-	-	1	[redacted]

■ **[redacted] FUTURES** (IMM) Yen 12.5 per Yen 100

	Open	Sett price	Change	High	[redacted]	Est. vol	Open int.
Mar	0.8898	0.8898	-0.0036	0.8902	0.8935	18,781	100,651
Jun	0.8940	0.8906	-0.0036	0.8940	[redacted]	335	3,864
Sep	-	0.8967	-	-	[redacted]	12	192

■ **SWISS FRANC FUTURES** (IMM) SFr 125,000 per SFr

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	0.6686	0.6734	[redacted]	[redacted]	0.6680	[redacted]	46,075
Jun	-	0.6727	-	0.6735	-	[redacted]	308

■ **STERLING FUTURES** (IMM) [redacted]

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	[redacted]	[redacted]	+0.0086	[redacted]	[redacted]	[redacted]	28,095
Mar	1.4710	[redacted]	+0.0070	1.4730	1.4710	[redacted]	914
Jun	-	1.4670	-	1.4670	-	[redacted]	5

EMS EUROPEAN CURRENCY UNIT RATES

Jan [redacted]	Ecu [redacted] rates	Rate against Ecu	[redacted] on [redacted]	% +/- from cen. rate	[redacted] spread [redacted] weakest	Div. ind.
Ireland	[redacted]	0.785865	[redacted]	-2.73	6.86	15
[redacted]	2.19672	2.16642	[redacted]	-1.38	5.20	-
Germany	1.94964	1.93569	+0.00128	-0.65	4.44	-
Belgium	40.2123	40.4225	+0.0385	0.52	3.21	-4
France	6.53883	[redacted]	+0.00235	[redacted]	2.99	-6
Denmark	7.43679	7.56061	+0.0002	1.66	2.05	-11

WORLD INTEREST RATES

UK INTEREST RATES

BASE LENDING RATES

	%
Adam & Company	5.5
Allied Trust Bank	5.5
AIB Bank	5.5
●Henry Ansbacher	5.5
Bank of Baroda	5.5
Banco Bilbao Vizcaya	5.5
Bank of Cyprus	5.5
Bank of Ireland	5.5
Bank of India	5.5
Bank of Scotland	5.5
Barclays Bank	5.5
Brit Bk of Mid East	5.5
●Brown Shipley	5.5
CL Bank Nederland	5.5
Citibank NA	5.5
City Merchants Bank	5.5
Clydesdale Bank	5.5
The Co-operative Bank	5.5
Coutts & Co	5.5
Credit Lyonnais	5.5
Cyprus Popular Bank	5.5
Duncan Lawrie	5.5
Exeter Bank Limited	6.5
Financial & Gen Bank	6
●Robert Fleming & Co	5.5
Girobank	5.5
●Guinness Mahon	5.5
Habib Bank AG Zurich	5.5
●Hambros Bank	5.5
Heritable & Gen Inv Bk.	5.5
●Hill Samuel	5.5
C. Hoare & Co	5.5
Hongkong & Shanghai	5.5
Julian Hodge Bank	5.5
●Leopold Joseph & Sons	5.5
Lloyds Bank	5.5
Meghraj Bank Ltd	5.5
Midland Bank	5.5
* Mount Banking	6
NatWestminster	5.5
●Rea Brothers	5.5
* Roxburghe Bank Ltd is no longer authorised as a banking institution.	8
Royal Bk of Scotland	5.5
●Smith & Williamson Secs.	5.5
Standard Chartered	5.5
TSB	5.5
●United Bk of Kuwait	5.5
Unity Trust Bank Plc	5.5
Western Trust	5.5
Whiteaway Laidlaw	5.5
Wimbledon & Sth West.	7
Yorkshire Bank	5.5

● [redacted] British Merchant [redacted] & [redacted]
* [redacted]

MONEY MARKET FUNDS

Money Market Trust Funds

Money Market Bank Accounts

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WORLD STOCK MARKETS

EUROPE

AUSTRIA (Jan 4 / Sch)

[illegible]

BELGIUM/LUXEMBOURG (Jan 4 / Frs.)

[illegible]

DENMARK (Jan 4 / Kr)

[illegible]

FINLAND (Jan 4 / Mks)

[illegible]

FRANCE (Jan 4 / Frs.)

[illegible]

GERMANY (Jan 4 / Dm.)

[illegible]

IRELAND (Jan 4 / Ir£)

[illegible]

ITALY (Jan 4 / Lira)

[illegible]

NETHERLANDS (Jan 4 / Fls.)

[illegible]

NORWAY (Jan 4 / Kroner)

[illegible]

SPAIN (Jan 4 / Pts.)

[illegible]

SWEDEN (Jan 4 / Kronor)

[illegible]

SWITZERLAND (Jan 4 / Frs.)

[illegible]

PACIFIC

JAPAN (Jan 4 / Yen)

[illegible]

AUSTRALIA (Jan 4 / Aust$)

[illegible]

HONG KONG (Jan 4 / H.K.$)

[illegible]

MALAYSIA (Jan 4 / MYR)

[illegible]

SINGAPORE (Jan 4 / S$)

[illegible]

NORTH AMERICA

CANADA

TORONTO (Jan 4 / Can $)

4 pm close

[illegible]

MONTREAL (Jan 4 / Can $)

4 pm close

[illegible]

AFRICA

SOUTH AFRICA (Jan 4 / Rand)

[illegible]

Prices supplied by Telekurs

NOTES - Prices on this page are as quoted on the individual exchanges and are mostly last traded prices. Highs/Lows are based on data from Jan 1 1993. # Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

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■ TOKYO - MOST ACTIVE STOCKS: Tuesday, January 4, 1994

	Stocks Traded	Closing Prices	Change on day		Stocks Traded	Closing Prices	Change on day
Sumitomo Mtl Min	8.6m	919	-49	Oki Electric Ind	2.4m	550	+10
Hanwa	4.6m	463	-27	Mitsui Min & Sml	2.3m	408	+10
Suzuki Motor	3.2m	1,110	+60	Sagami Railway	1.7m	505	+5
Isuzu Motor	3.1m	369	+17	Sharp Corp	1.6m	1,550	+40
Fujitsu	2.9m	854	+10	Chino Corp	1.6m	760	+58

INDICES

[illegible]

■ CAC-40 STOCK INDEX FUTURES (MATIF)

	Open	Sett Price	Change	High	Low	Est. vol.	Open int.
Jan	2281.0	2285.0	-15.0	2286.0	2271.0	16.571	43.610
Feb	2294.0	2297.0	-15.0	2298.0	2289.0	207	260
Mar	2305.5	2309.0	-14.5	2309.5	2297.5	488	30,147
Jun	2299.0	2304.5	-15.0	2302.0	2293.0	36	1,651

Open interest figures for previous day.

US INDICES

Dow Jones	Jan 3	Dec 31	Dec 30	1993/4 High	1993/4 Low	Since compilation High	Since compilation Low
Industrials	3756.60	3754.09	3775.88	3794.33 (29/12/93)	3241.95 (20/1/93)	3794.33 (29/12/93)	41.22 (2/7/32)
Home Bonds	104.79	104.89	104.85	111.29 (10/12/93)	103.49 (11/1/93)	111.29 (10/12/93)	54.99 (1/10/81)
Transport	1751.59	1762.32	1765.86	1775.61 (28/12/93)	1453.84 (4/1/93)	1775.61 (28/12/93)	12.32 (8/7/32)
Utilities	227.06	229.30	230.16	256.46 (31/8/93)	217.14 (8/1/93)	256.46 (31/8/93)	10.50 (8/4/32)

DJ Ind. Day's high 3790.72 (3804.11) Low 3715.25 (3745.15) (Theoretical♦)
Day's high 3765.27 (3792.02) Low 3745.70 (3754.09) (Actual♦)

Standard and Poors	Jan 3	Dec 31	Dec 30	1993/4 High	1993/4 Low	Since compilation High	Since compilation Low
Composite ‡	465.44	466.45	465.64	470.94 (28/12/93)	429.05 (8/1/93)	470.94 (28/12/93)	4.40 (1/6/32)
Industrials	540.08	540.19	542.13	543.94 (28/12/93)	496.48 (26/4/93)	543.94 (28/12/93)	3.62 (21/6/32)
Financial	43.93	44.27	44.42	48.40 (28/9/93)	39.89 (8/1/93)	48.40 (28/9/93)	8.64 (1/10/74)
NYSE Comp.	258.27	259.09	259.77	260.67 (29/12/93)	236.21 (8/1/93)	260.67 (29/12/93)	4.46 (28/4/42)
Amex Mkt Val	477.24	477.15	472.56	484.28 (2/11/93)	395.84 (8/1/93)	484.28 (2/11/93)	29.31 (9/12/72)
NASDAQ Cmp	770.76	776.80	771.08	787.42 (15/10/93)	645.87 (26/4/93)	787.42 (15/10/93)	54.87 (31/10/72)

■ RATIOS

	Dec 31	Dec 17	Dec 10	Year ago
Dow Jones Ind. Div. Yield	2.68	2.67	2.67	3.14
	Dec 29	Dec 22	Dec 15	Year ago
S & P Ind. Div. yield	2.38	2.40	2.45	2.58
S & P Ind. P/E ratio	27.21	27.42	27.16	26.78

■ STANDARD AND POORS 500 INDEX FUTURES $500 times index

	Open	Latest	Change	High	Low	Est. vol.	Open int.
Mar	466.00	465.90	+0.05	466.10	465.50	52.642	175,653
Jun	-	-	-	-	-	-	-
Sep	-	-	-	-	-	-	-

Open interest figures are for previous day.

■ NEW YORK ACTIVE STOCKS

Monday	Stocks traded	Close price	Change on day
Sunshine Min	4,554,500	2	+1/8
RJR Nabisco	4,734,500	6¼	+1/8
Telefonos	4,463,900	65½	-2
Fed Dept	4,045,300	22½	-2
Merck	2,785,900	35¼	-1
Wal-Mart	2,650,500	25⅛	+1/8
Am T & T	2,325,400	52⅞	+1/8
Philip Morris	2,154,900	57⅛	-2
Gen Motors	2,130,900	55¼	+1/8
GTE	2,095,900	34⅞	-⅛

■ TRADING ACTIVITY

● Volume (million)

	Jan 3	Dec 31	Dec 30
New York SE	269.161	167.623	186.644
Amex	17.222	16.264	16.855
NASDAQ	253.022	253.850	211.205
NYSE			
Issues Traded	2,718	2,684	2,714
Rises	901	1,181	963
Falls	1,315	890	1,083
Unchanged	502	613	668
New Highs	54	119	100
New Lows	17	15	20

† Correction. * Calculated at 15.00 GMT ● Excluding bonds ‡ Industrial plus Utilities, Financial and Transportation. ♦ The DJ Ind. index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock, whereas the actual day's highs and lows (supplied by Telekurs) represent the highest and lowest values that the index has reached during the day. (The figures in brackets are previous day's). ▼ Subject to official recalculation. ◊ IMB Gen rebased at 1000

4 pm close January 4

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

1993/94 High	Low	Stock	Div	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
15	11½	AAR	0.48	3.4	475	87	14¼	14⅛	14¼	-⅛
29⅞	12¾	A L Labs A	0.18	1.2	34	967	14⅞	14½	14⅝	+⅛
67¼	54⅝	AMP	1.60	2.5	22	835	63¾	62½	63⅛	+⅝
72¾	55½	AMR			53	5260	67¾	66⅝	67⅜	+½
3⅞	1¾	ARX			15	285	d3⅞	3¾	3⅞	+⅛
51½	29⅞	ASA	2.00	3.7	35	3262	54	53⅛	53⅞	+1
30¾	22⅞	AbbotL	0.68	2.3	18	6909	29¾	28¾	29½	+⅝
12⅞	8¼	AbitibI Pr	0.50	4.3	7	44	11¾	11½	11⅝	+⅜
15⅝	8¼	Acptncein			20	102	12½	12½	12½	-¼
35	25½	ACE Ltd	0.40	1.3	5	279	30¾	30⅜	30⅜	-⅝
12⅝	10¾	ACM Gvt In	1.06	8.7		219	12¼	12⅛	12⅛	-⅛
10⅛	9⅛	ACM GvOpp x	0.80	8.3		103	9¾	9⅝	9⅝	+.07
10⅝	8¾	ACM Gvt Sp	0.95	9.6		332	10⅛	10	10	+⅛
12¾	10½	ACM Gvt Se	1.04	8.9		681	11⅝	11⅜	11⅝	+¼
12¼	9⅝	ACM Man x	1.13	10.2		229	11¼	11⅛	11⅛	
9⅜	8⅝	ACM Managd x	0.72	8.0		425	9⅛	9	9	[illegible]
12⅜	7¾	AcmeClv	0.44	4.4	12	101	10	9½	10	+⅜
11⅜	6⅜	Acme Elect			34	61	7⅝	7½	7⅝	
27⅝	18⅜	Acordia	0.44	1.7	14	2	25⅝	25⅝	25⅝	+¼
16	10⅜	Acuson			56	165	12⅝	12⅜	12½	
21¾	17¾	Adams Expr	0.52	2.9	0	434	18⅛	d17¾	18	+⅛
66¼	45½	Ad Micro	3.00	6.3		12	47⅞	47½	47⅞	+¾
32¾	17	AdvMic	3.00	16.4	6	3773	18¼	17⅞	18¼	+⅜
8⅛	5½	Advest Grp	0.16	2.4	11	28	6¾	6⅝	6⅝	-⅛
[illegible]										

- B -

[illegible]

- C -

[illegible]

- D -

[illegible]

- E -

[illegible]

- F -

[illegible]

- G -

[illegible]

- H -

[illegible]

- I -

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- J -

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- K -

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- L -

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- M -

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- P - Q -

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- S -

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NYSE COMPOSITE PRICES

4 pm close January 4

Continued from previous page

NASDAQ NATIONAL MARKET

4 pm close January 4

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
ABS Inds	0.20	16	129	11¼	10½	11⅛	+⅛
ACC Corp	0.12	56	287	19	18¼	18½	-¼
Acclaim E		35	33985	23½	21⅜	22¾	+⅛
Acme Mtls		30	49	18¼	17½	18¼	
Acxiom Cp		33	911	21¼	20½	21¼	
Adaptech		19	2730	38⅝	37⅝	38½	+⅜
ADC Tele		31	1378	36¼	35¼	36¼	+⅝
Addington		107	313	18½	17¾	18¼	-¼
Adia Serv	0.16	15	163	24	22⅞	22½	-½
Adobe Sys	0.20	20	13816	22¼	20½	21⅝	+⅜
Advance C		10	361	14⅝	13¾	14¼	-⅜
Adv Logic		4	194	3¾	3⅞	3⅝	+¼
Adv Polym		7	628	5½	5¼	5⅜	+⅛
AdvTchLab		48	627	17	16½	16½	-½
Advanta	0.20	17	2344	32¾	32	32¼	-1
Affymax		11	104	15	14½	14½	
Agency Re		21	774	12¾	12½	12½	-¼
AgnicoEa	0.10	148	3731	13⅞	13⅜	13⅜	-⅜
Akzo ADR	0.78	17	2382	49½	48⅞	49½	+¾
Aldus Cp		49	2167	26	24¾	25¼	-¾
AlexBld	0.88	19	248	26¾	26¼	26¾	+¼
Allegh &W		15	168	7¼	6¾	6⅞	
Allen Org	0.48	12	z100	30	30	30	-¼
Allan Ph		5	971	9	8	8¾	+¼
AlldCapII	1.22	12	133	14¼	13½	13½	
Alld Cap	1.35	13	340	15¼	14¾	15¼	+½
Aloette C	0.32	475	2	4¾	4¾	4¾	
Alta Gold	0.06	3	1508	1⅜	1¼	1⅜	+⅛

AMEX COMPOSITE PRICES

4 pm close January 4

AMERICA

Dow edges higher as bond prices rebound

Wall Street

A rebound in bond prices helped to lift US stocks modestly higher yesterday morning, *writes Frank McGurty in New York.*

By 1 pm, the Dow Jones Industrial Average was 10.98 ahead at 3,767.58, while the more broadly based Standard & Poor's 500 was just 0.59 higher at 466.03. In the secondary markets, the American SE composite was down 0.44 at 476.80, and the Nasdaq composite was 3.07 stronger at 773.98.

Volume on the NYSE was moderate, with 182m shares traded by 1 pm. Advances led declines by 1,121 to 897.

With no first-tier economic reports scheduled for release, stocks had some leeway ahead of Friday's important data on December employment. The Labor Department's report, if it comes in at the high end of expectations, could exacerbate the rekindled fear of inflation in the fixed-income markets and trigger a fresh round of selling. Stocks would be likely to suffer as a result. For the time being, however, bond traders were happy to prop up prices of longer-dated securities after a week of sharp declines.

After a weak opening, equities responded in kind, steadily gaining ground as the morning progressed. Among the blue chips, Caterpillar climbed $1⅞ to $91, Eastman Kodak advanced $1½ to $46⅛ and Disney added $1 to $44, while Allied Signal dropped $1⅞ to $76⅞.

Automobile stocks were buoyant ahead of the afternoon release of the final 10-day car sales figures for 1993, expected to have climbed to an annual rate of 7.4m units. Chrysler was $2 higher at $55½ on early news of a 21 per cent sales rise for the year. General Motors was up $1¼ at $56½ and Ford $⅞ at $64.

With the Johnson Redbook weekly sales report due out later in the session, retailing stocks were active. Sears snapped back from a big loss the previous session, gaining $1½ to $52⅞. Wal-Mart edged $⅝ higher to $25⅞. Kmart added $¼ to $21⅞, and JC Penney $¾ to $51⅞. Woolworth slid $1¼ to $24⅞.

Del Webb, a Phoenix-based property developer, was marked up $1⅛ to $16⅞ after posting a 52 per cent surge in orders for the three months to December 31.

On the Nasdaq, technology stocks bounced back from Monday's bout of profit-taking. Apple Computer advanced $1⅛ to $31, Intel $1⅞ to $63⅛ and Oracle $1½ to $30.

MCI Communications shed $1½ to $27 on the announcement that the company and its partners would invest more than $20bn to create a trans-continental information super-highway.

Mexico pared its losses at midday after a fall of over 50 points in mid-morning, under pressure from profit-taking sparked by an armed uprising in the southern, Chiapas state.

The IPC index recovered to register a fall of 38.63, or 1.5 per cent, at 2,463.6. Local and foreign investors were gambling that the Chiapas situation would soon be resolved.

Canada

Toronto moved higher in brisk dealings, as the precious metals index caught up with the world gold price rally.

The TSE 300 index was up 38.09 by 4,359.52 at noon after hitting an earlier high of 4,360.40. Volume was was a heavy 30.82m shares.

The precious metals sector rose 632.94, or 5.9 per cent to 11,327.30.

EUROPE

Consolidation rules in Frankfurt, Paris

Construction stocks starred in Frankfurt and Paris, *writes Our Markets Staff.*

In both, there were signs that analysts were exploring stocks and sectors which had lagged behind the general advance in 1993.

PARIS consolidated, the the CAC-40 index closing 16.22 lower at 2274.34. Turnover rose from FFr3.26bn to FFr4.5bn.

Eurotunnel extended its recent strength, gaining FFr1.10 to FFr55.50. Construction stocks were led higher by Bouygues, up FFr22 to FFr714 and expected to gain this year from the government's building-related growth initiatives.

Financials fell, afraid that Monday's bank rate cuts would slim lending margins, and insurers were down on worries about the impact of recent storms in France. Improving underperformers included Accor, up another FFr5 at FFr627, and LVMH, FFr31 better at FFr3,829.

FRANKFURT mixed a continued penchant for construction stocks with general profit-taking. The Dax index fell 14.40 to 2,253.58 on the session and, Ibis-indicated, by 3.73 more to 2,249.85 in the post bourse.

In construction stocks, recommended after they lagged behind the market last year, Hochtief rose another DM33 to DM1,233 and Holzmann by DM30 to DM1,075.

Elswhere, Metallgesellschaft was nervous ahead of today's meeting with its banks, falling DM11.50 to DM267.50 on the session, and another DM7.50 to DM260 in the afternoon.

MADRID saw real fear in the banking sector in the wake of the Bank of Spain's intervention in Banesto. Banco Central Hispano was badly shaken by rumours that it would pass its final dividend and although it said it expected pay an unchanged dividend,the shares fell Pta180 to Pta3,200.

The general index fell 2.55 to 324.61. Volume in BCH was heavy, with 611,000 shares traded. With its parent still suspended, Banesto's industrial holding company, Corporacion Banesto, lost Pta150 to Pta1,750.

ZURICH consolidated, but a 3.6 rise to 2,999.8 was sufficient to keep the SMI index at a record high.

Cyclicals, strong on Monday, ended mostly lower. Brown Boveri eased SFr2 to SFr1,114 and Alusuisse registered fell SFr8 to SFr656. However, Sulzer registered added SFr24 to SFr880.

Among insurers, Zurich registered rose SFr15 to SFr1,548.

AMSTERDAM ended mixed, holding up in spite of weaker overseas markets and bonds. The AEX, which surged 6.1 on Monday, closed up 0.52 at a record 420.89.

Philips topped the volume charts after breaking chart resistance at Fl 40.00 on Monday, posting a 20 cent gain to Fl 41.50.

Elsevier added Fl 3.20 to Fl 188.20 after a US magazine said that Paramount, in the past, had tried to buy a stake in the publisher. Hoogovens continued to rise in response to a cautiously positive new year address by its chairman, picking up Fl 1.60 to Fl 51.90.

MILAN was easier on profit-taking after the last month's gains amid some uncertainty over the outcome of a parliamentary confidence vote on January 12. The Comit index fell 4.19 to 620.32, the mood soured by political in-fighting over the date of the general election.

Blue chips were broadly lower, with trading again dominated by Montedison in turnover of 32m shares, three times as high as for any other stock.

The price dipped L24 to L930 after the cumulative rise of more than 25 per cent over the last two weeks.

Nordic bourses had a buoyant day, with particular strong performances from **HELSINKI** and **OSLO**, up by 4.1 and 2.1 per cent respectively. Finnish equities were lifted by funds previously invested in fixed interest instruments, while Norwegian stocks were lifted by higher North Sea oil prices, and a stronger dollar.

VIENNA detached from Frankfurt for the day and hit its highest point since June, 1991, the ATX index climbing 13.14 to 1,162.7.

ISTANBUL reached its fourth consecutive record high, the composite index ending provisionally at 22,394, up 605.9 or 2.8 per cent from Monday, its previous all-time high, following tax changes in the money market.

WARSAW slowed down, but the WIG index rose 300, or 2.3 per cent to 13,345 on buying from small investors. Traders said that the very active turnover of 2,100bn zlotys might be a sign that big investors were stepping up selling.

LISBON burst into action after a quiet period, the BTA index jumping by 65.4, or 2.5 per cent to 2,685.3. The ship repairer, Lisnave, soared by Es85, or 6.7 per cent to Es1,265 after an announcement in the bourse's official bulletin said that its main shareholder, Mr Jose Manuel de Mello, would buy up any shares left over from an Es6bn rights issue.

Written and edited by William Cochrane and Michael Morgan.

FT-SE Actuaries Share Indices

Jan 4 — THE EUROPEAN SERIES

Hourly changes	Open	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE Eurotrack 100	1478.58	1478.92	1481.69	1479.55	1479.07	1478.04	1479.13	1479.29
FT-SE Eurotrack 200	1547.18	1546.28	1545.42	1544.03	1544.38	1543.05	1544.26	1545.77

	Dec. 31	Dec. 30	Dec. 29	Dec. 24	Dec. 23
FT-SE Eurotrack 100	1473.36	1475.84	1466.20	1459.40	1459.50
FT-SE Eurotrack 200	1546.84	1547.84	1552.09	1535.05	1532.40

Base value 1000 (26/10/90); Highday: 100 - 1481.08; 200 - 1547.97 Lowday: 100 - 1477.87 200 - 1542.60

ASIA PACIFIC

Nikkei dips as nine records are set in region

Tokyo

Arbitrage selling of Nikkei 225 futures depressed the Nikkei average on the first trading day of 1994, but traders still looked for a stronger year for the Tokyo stock market as the Topix index of all first section stocks closed higher, *writes Emiko Terazono in Tokyo.*

The Nikkei finished the half-day session down 47.50 at 17,369.74 after a low of 17,242.32 and a high of 17,424.84. The Topix index was finally 6.66 up at 1,445.97 and, in London, the ISE/Nikkei 50 index ended 0.92 firmer at 1,197.45.

Volume totalled 110m shares, against 121m during the half-day session last Thursday. Rises led falls by 529 to 357, with 179 issues unchanged.

A decline in Chicago futures on Monday dragged down the Osaka market, prompting arbitrage unwinding. However, a weakening of the yen triggered buying of export-oriented high-technology stocks.

The yen closed at Y113.27 against the dollar, deteriorating from the Y113 level for the first time since April 16 on favourable US economic figures. Mr Keith Donaldson, a strategist at Salomon Brothers, said the sharp fall in the yen was good news for companies since it could improve the outlook for earnings.

However, for the short term, most analysts expect share prices to remain in a narrow band until the political reform bill is passed through parliament, and details of a new fiscal package are announced at the end of this month.

Electronics companies gained ground on the weaker yen. Sony rose Y110 to Y5,620 and NEC advanced Y19 to Y874. Automakers were also stronger, with Toyota Motor up Y30 to Y1,810 and Honda Motor adding Y50 at Y1,570.

Reports that Suzuki Motor is planning to share common car parts with Daihatsu Motor pushed the former forward Y60 to Y1,110.

Nippon Telegraph and Telephone rose Y6,000 to Y750,000. Reports over the weekend that the company may spin off one of its business divisions supported investor interest. KDD, the international telecoms group, put on Y300 at Y11,300.

A rise in gold prices supported mining stocks. Sumitomo Metal Mining advanced Y49 to Y919 and Dowa Mining gained Y17 at Y485.

In Osaka, the OSE average rose 49.39 to 19,271.11 in volume of 7.1m shares.

Roundup

The region remained in record breaking form, with new highs set in nine centres, including Bangkok. Taiwan and New Zealand were closed.

HONG KONG remained at a peak in heavy turnover, with foreign and local investors encouraged by further strength in the property market, although a sharp early advance stalled in the face of afternoon profit-taking. The Hang Seng index ended 114.60, or 0.9 per cent, higher at 12,201.09, well below the intraday high of 12,599.23.

SINGAPORE shrugged off strong profit-taking and the Straits Times Industrial index added 30.37 at a new record closing high of 2,471.90, having peaked at 2,482.32.

MANILA remained at a peak, taking its lead from the record setting performance of Philippine National Bank. The composite index rose 36.86, or 1.1 per cent, to 3,308.37. A 50-peso rise to 720 pesos by PNB was attributed to a pick-up in demand by foreign investors.

AUSTRALIA saw profit-taking among some leading shares balanced by strong support for the resource sector, which left the All Ordinaries index 0.7 firmer at another six-year peak of 2,174.3.

JAKARTA closed higher in an upbeat mood, driven mainly by local investors. The official index rose 10.29 to 599.94 as the market awaited the budget for fiscal 1994-95 due tomorrow.

KUALA LUMPUR rebounded in the afternoon as investors returned to the market and the composite index climbed 24.50 to a peak 1,313.35.

KARACHI registered a record daily advance to close at a new high on heavy institutional buying and opening of fresh accounts by investors. The KSE-100 index rose 75.84, or 3.5 per cent, to 2,253.95.

BOMBAY registered sharp gains but blue chips fell below the day's best on profit-taking towards the end. The BSE 30-share index closed 14.06 ahead at a peak 3,479.92, having touched the 3,542 mark at mid-session.

SOUTH AFRICA

Gold shares surged by 8.2 per cent in Johannesburg as the bullion price hit a five-month high, and renewed confidence spilled over into selected industrials.

The golds index closed 177 stronger at 2,331, industrials rose 121 to 5,717 and the overall index climbed 179 to a closing peak of 5,088.

● Zimbabwean stocks soared to new highs following Saturday's 17 per cent devaluation of the local dollar and renewed foreign investor interest. The industrial index added 83.94 at 2,440.95, its best level since 1991, and the mining index rose 23.30 to a record 566.04.

Bangkok's final quarter leaves observers cautious

William Barnes on the burgeoning Thai market

The explosion in the Bangkok stock market's fourth quarter continued over the Christmas and new year holidays, with the Stock Exchange of Thailand index surging through record highs for seven consecutive sessions to 1,753.73, up 70.88 or 4.21 per cent yesterday.

This has been a far cry from the mid-summer doldrums, when the index hovered weakly above the 800 level. Its final flourish incorporated the inevitable year-end window dressing, but most brokers seem to think that the weight of money available to the market is sufficient to carry equities past any minor short-term corrections.

However, some market watchers are becoming uncomfortable. Thai stocks have rocketed by more than 80 per cent since the beginning of October, following the sudden interest which North American fund managers took in the region.

New issues, notably in telecommunications, are improving the market's tone, but it remains relatively immature with a limited ability to absorb large amounts of cash.

Investors have put behind them last spring's corporate earnings disappointments, the new Securities and Exchange Commission's various attacks on share price rampers early last year, and mild unease at the traditional shenanigans in parliament.

It is true that, for investors jaded with economic performance or the lack of it in western countries, Thai growth in 1993 and 1994 approaching eight per cent is reassuring. However, if you anticipate earnings of 12-16 per cent for the rest of the decade than, by some estimates, Thai shares deserve to trade on a price-earnings ratio of 16-22 times. The market has been one or two points beyond this on 1993 earnings and stands at around 20 times 1994 earnings.

Technical indicators are signalling caution: previous runs like that of late 1993 have presaged a sharp downturn. Foreign investors will almost certainly decide if and when the legs are to be pulled from under this market, having pushed a net Bt15.8 billion into the market in July/September, 1993 and, probably, at least Bt40bn ($1.57bn) in the final quarter.

However, a burgeoning mutual fund industry is beginning to bring a stabilising influence into the market. Thailand's cash-rich middle classes receive scant returns for their savings from the local banking cartel, but they have become increasingly risk averse; the mutual fund industry took off in 1993 with at least $2 billion being raised from local savers.

Mutual funds account for little more than three per cent of the market's capitalisation, but they will grow in importance. As one example of the domestic funds poised in the wings, professionals consider the implications of the impending liberalisation that will allow the setting up of private funds.

Total deposit bases in the local banks and finance houses amount to an estimated Bt2,500bn. If just one per cent of that finds its way into the stock market, that is Bt25bn of new money, roughly the same figure that produced the striking outperformance in the final quarter of 1993.

Thai companies have been quick capitalise upon the stock market's strength, with a flurry of Euroconvertible issues. The dearth of straight rights issues means that – remarkably, considering the bull run – less money will have been raised from the market than in 1992. This, of course, has also encouraged higher share prices in the short run.

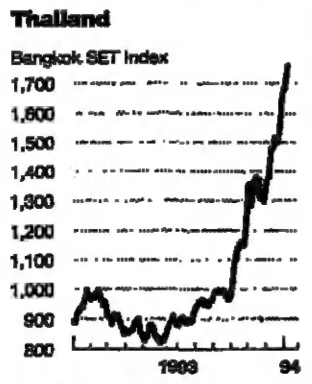
Bangkok's banking, financial and property sectors are, arguably, fully priced by most analytical measures. Aside from the odd respected blue-chip, like the property developer, Land and Houses, and certain special situations, this leaves the industrial sector for current investment consideration.

Earnings here have been poor but are expected to improve: the problem is that so far there are only a relatively small number of companies in this area with a free-float of a decent size.

Mr Robert Zielinski, head of research at Jardine Fleming Thanakom Securities, reckons that the stock market is on the verge of refocusing its attention away from financial stocks to companies serving the real economy. "Liquidity-driven markets usually give way to earnings driven markets as the combination of low interest rates and the wealth effect of rising share prices lead to a pick up in demand," he says.

"The risk premium for investing in Thai shares is higher than for more mature markets," concludes Mr Zielinski, "but growth prospects are good and, in time, funds will flow to the companies working in the real economy."

Thailand



Source: FT Graphite

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Ltd., Goldman, Sachs & Co. and NatWest Securities Ltd. in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	MONDAY JANUARY 3 1994								FRIDAY DECEMBER 31 1993					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1993/94 High	1993/94 Low	Year ago (approx)
Australia (69)	168.10	+0.7	168.34	119.43	151.82	163.51	+0.0	3.15	166.87	167.22	117.72	150.66	163.51	168.10	117.38	125.58
Austria (17)	187.37	+1.3	187.84	133.13	169.22	169.10	+1.5	0.94	184.98	185.37	130.50	167.00	168.54	187.88	131.16	132.97
Belgium (42)	162.87	+0.1	163.10	115.71	147.09	145.57	+0.4	3.95	162.65	162.99	114.73	146.84	145.01	166.01	131.19	131.19
Canada (107)	136.80	+0.7	136.99	97.18	123.53	130.19	+0.0	2.58	135.79	136.07	95.79	122.58	130.19	136.80	111.41	115.13
Denmark (32)	252.98	+2.3	253.33	179.73	228.47	233.40	+2.2	0.97	247.20	247.72	174.40	223.17	228.46	253.37	185.11	185.11
Finland (23)	123.99	+0.6	124.17	88.10	111.98	150.98	+0.8	0.69	123.20	123.45	86.92	111.22	149.73	128.99	65.60	68.88
France (99)	177.46	+0.9	177.71	126.07	160.26	164.48	+0.9	2.83	175.96	176.33	124.13	158.85	162.98	179.49	142.72	144.33
Germany (59)	140.55	+0.2	140.75	99.87	126.93	126.93	+0.3	1.83	140.24	140.54	98.95	126.61	126.61	142.38	101.59	102.20
Hong Kong (55)	500.99	+2.4	501.70	355.93	452.47	496.61	+2.3	2.20	489.31	490.33	345.19	441.77	485.45	500.99	218.82	218.82
Ireland (14)	185.15	+0.0	185.41	131.54	167.21	185.19	+0.0	3.06	185.21	185.60	130.66	167.21	185.19	185.21	129.28	139.28
Italy (69)	69.64	+1.5	69.74	49.48	62.89	88.64	+1.1	1.85	68.59	68.73	48.38	61.92	87.69	78.93	53.78	53.96
Japan (463)	129.22	−0.7	129.40	91.80	116.71	91.80	+0.0	0.89	130.13	130.40	91.80	117.50	91.80	165.91	100.76	104.50
Malaysia (89)	604.51	+2.2	605.37	429.47	545.93	621.04	+1.2	1.17	591.54	592.77	417.30	534.03	613.75	604.51	251.65	258.84
Mexico (19)	2386.18	−0.1	2389.65	1695.30	2154.99	8108.54	+0.0	0.61	2387.72	2392.70	1684.47	2155.64	8108.54	2387.72	1410.30	1647.91
Netherland (26)	200.40	+0.6	200.68	142.37	180.98	177.80	+0.7	2.98	199.11	199.52	140.46	179.76	176.60	202.48	150.39	150.66
New Zealand (14)	68.22	+0.5	68.31	48.47	61.61	64.46	+0.0	3.63	67.91	68.05	47.91	61.31	64.46	68.38	40.56	42.76
Norway (23)	180.78	+0.6	181.04	128.44	163.27	184.65	+0.7	1.38	179.64	180.01	126.73	162.18	183.36	185.10	137.71	139.82
Singapore (45)	372.98	+1.5	373.50	264.99	336.84	276.85	+1.6	1.49	367.53	368.30	259.29	331.80	272.51	372.98	207.04	212.10
South Africa (60)	268.43	+0.5	268.81	190.71	242.42	251.70	+0.5	2.22	267.15	267.70	188.46	241.17	260.49	268.43	144.72	144.68
Spain (42)	140.89	+1.1	141.09	100.10	127.24	152.54	+1.1	3.92	139.35	139.64	98.31	125.80	150.88	145.24	115.23	115.23
Sweden (36)	198.72	+1.2	199.00	141.19	179.47	245.72	+1.4	1.42	196.37	196.78	138.54	177.29	242.31	208.92	149.70	165.90
Switzerland (49)	182.48	+1.4	182.69	115.43	148.74	149.33	+1.3	1.45	160.14	160.48	112.98	144.60	147.44	165.86	108.61	112.71
United Kingdom (215)	205.19	+0.1	205.48	145.76	185.29	205.47	+0.0	3.49	205.05	205.48	144.64	185.10	205.47	209.10	162.00	172.18
USA (517)	189.40	−0.3	189.66	134.57	171.05	189.40	−0.3	2.75	189.91	190.30	133.98	171.46	189.91	191.66	175.36	177.91
Europe (746)	170.49	+0.5	170.73	121.13	153.97	165.91	+0.5	2.73	169.57	169.93	119.63	153.10	165.06	172.29	138.92	134.98
Nordic (114)	192.02	+1.4	192.29	136.43	173.42	204.88	+1.5	1.22	189.46	189.85	133.66	171.04	201.92	194.54	142.13	148.32
Pacific Basin (721)	144.74	−0.2	144.95	102.84	130.72	106.06	+0.3	1.16	145.06	145.37	102.34	130.97	105.79	166.80	105.89	109.15
Euro-Pacific (1467)	155.30	+0.1	155.52	110.33	140.25	128.94	+0.4	1.67	155.11	155.43	109.42	140.03	128.45	162.86	117.26	119.60
North America (624)	186.11	−0.2	186.37	132.24	168.11	185.32	−0.3	2.74	186.53	186.92	131.60	168.43	185.60	188.13	171.51	174.02
Europe Ex. UK (531)	148.68	+0.8	148.89	105.66	134.31	142.88	+0.8	2.24	147.43	147.74	104.03	133.13	141.48	150.04	112.61	112.96
Pacific Ex. Japan (252)	292.04	+1.8	292.45	207.52	263.77	270.78	+1.4	2.23	286.91	287.51	202.44	259.05	267.02	292.04	152.70	154.82
World Ex. US (1653)	157.57	+0.1	157.79	111.95	142.31	132.24	+0.4	1.86	157.34	157.67	111.01	142.06	131.76	162.86	118.51	120.68
World Ex. UK (1955)	163.57	+0.0	163.80	116.22	147.73	144.82	+0.1	2.06	163.60	163.94	115.42	147.71	144.62	168.68	134.22	135.89
World Ex. So. Af. (2110)	166.56	+0.0	166.79	118.35	150.43	149.21	+0.1	2.21	166.59	166.94	117.53	150.41	149.03	170.46	137.29	139.11
World Ex. Japan (1701)	188.61	+0.2	188.88	134.01	170.36	185.22	+0.2	2.66	188.18	188.56	132.77	169.92	184.91	188.49	157.47	158.57
The World Index (2170)	167.18	+0.0	167.42	118.78	151.00	150.03	+0.1	2.21	167.20	167.55	117.98	150.98	149.65	170.68	137.32	139.04

Constituent change with effect 6/1/94: Eastman Chemical (USA). Markets closed 3/1/94: Australia, Canada, Ireland, Japan, Mexico, New Zealand & United Kingdom.